

Lebanese Show Growing Impatience With Israeli Occupation

By Joseph B. Treaster
New York Times Service

SIDON, Lebanon — A Moslem religious leader crouched in the entrance hall of a mosque, hands poised as if holding a rifle at the ready. Suddenly, he whirled and braced behind a pillar with his imaginary gun.

"They came in here like that," said Sheikh Hussein Mallah. "Why are the Israelis like this? We had no weapons here. We were not hiding anyone. We were praying when they came running in with their boots."

Eighteen months ago, Mr. Mallah, a 35-year-old Sunni Moslem leader, was among tens of thousands in southern Lebanon who welcomed the Israeli Army as a savior from the oppression and harassment of the guerrillas of the Palestine Liberation Organization.

Now the religious leader says he believes one evil has replaced another. A majority of the people in the region are said to agree.

Residents of this city of 200,000, the largest in southern Lebanon, repeatedly complain that, among other things, the Israelis have defiled mosques by ignoring the ancient practice of removing shoes before entering and also by bringing dogs, one of the Islamic symbols of impurity, into the grounds.

U.S. Selects 'Lobbyist' To Congress on Marines

By John M. Goshko
Washington Post Service

WASHINGTON — The Reagan administration has selected Edward J. Derwinski, counselor of the State Department and a former congressman, to play a key lobbying role to defend congressional pressure to withdraw U.S. Marines from Lebanon.

Mr. Derwinski will go to the Middle East this week to join President Ronald Reagan's special Middle East envoy, Donald H. Rumsfeld, and Richard W. Murphy, assistant secretary of state for Middle East affairs, to familiarize himself with the U.S. effort to end a settlement of the Lebanese civil war.

"After that and depending on what Don Rumsfeld decides will be useful, I will try to help cover the home front for him since most of his time is spent traveling in the area," Mr. Derwinski said.

Mr. Derwinski, who became one of the senior members of the House Foreign Affairs Committee during his 22 years in Congress, stressed that he will not be taking charge of the administration's Lebanon lobbying effort but will work on that problem in addition to his other duties.

However, other administration officials, noting that the counselor is the only senior State Department official without a formally structured area of responsibility, said

A General Assassinated In Madrid

By John Darnton
New York Times Service

MADRID — Two gunmen thought to be Basque guerrillas shot and killed a high-ranking military officer on his way home from church here Sunday afternoon.

The killing was quickly and soundly condemned by leaders of the government, the governing Socialist Party and other political parties.

The killing was widely regarded as an attempt by ETA, whose initials in the Basque language stand for Basque Homeland and Liberty, to demonstrate that it is still active and able to mount attacks intended to destabilize the government despite a series of setbacks in recent weeks.

The group has carried out scores of similar murders in its campaign for independence for Spain's four northern provinces.

The victim, Lieutenant General Guillermo Quintana Lacaci, who was 67 years old and semi-retired, was killed on the sidewalk in front of his home.

His wife, Elena Ramos, was slightly wounded in the attack, receiving a bullet wound in the leg. A retired colonel, Francisco Gil Pachon, 64, was grazed by two shots.

General Quintana, a veteran of the Franco forces in the 1936-39 civil war and of the Blue Division that fought alongside Nazi forces against the Soviet Union in World War II, was a conservative military man but also a defender of the post-Franco constitution.

From 1979 until 1982, he was commander of the Madrid military region. He was instrumental in persuading officers in the command to obey King Juan Carlos I and refrain from joining a coup attempt in February 1981.

General Quintana was the sixth army general assassinated since 1978 and the first since the Socialists took office in December 1982.

Although no group had taken responsibility for the assassination by early evening, police officials said the attack had the markings of an ETA operation.

Among the blows that have been struck at the Basque guerrilla organization was a recent decision by the French government to remove ETA activists from southern France. According to the Spanish government, ETA leaders and militants have used bases in southern France for years to plan and execute assassinations, kidnappings and extortion across the border.

At least seven activists have been relocated to northern France and another six have been expelled.

After the French crackdown, Spanish authorities began an ambiguous sweep of their own in the northern region.

It is widely believed that the pressures closing in on ETA from all sides have severely, though perhaps not indefinitely, hampered its field of operations. Many expected it to engage in some dramatic exploit to show that it was still strong.

The rationale was that you didn't want to let the opponent

know too much," said Dr. William E. Ogle, former test director at the Los Alamos National Laboratory in New Mexico. "But the logic wasn't very good. The Russians went out of their way to let us know that they knew about the tests."

Both superpowers can detect underground explosions through seismic stations.

The full-disclosure policy, begun in 1975, was followed until about a year ago. The government now keeps secret the existence of all nuclear tests less than five kilotons, that is those having an explosive force equal to that of 5,000 tons of TNT, according to federal officials.

Police had refused to issue permits for either demonstration.

They said they arrested more than 200 people during several hours of skirmishes in the Latin Quarter after the protesters refused to break up a demonstration over the murder trial of four self-proclaimed members of the Armenian Secret Army for the Liberation of Armenia.

The four have confessed to the September 1981 takeover of the Turkish Embassy in Paris, in which a Turkish security guard was shot to death. The case is expected to begin Tuesday.

Official said that earlier Saturday, security forces arrested "several dozen" people during a demonstration intended to "show solidarity with the Moroccan people" following rioting last week in northern Morocco cities.

A spokesman for the Association of Moroccans in France charged that "the security forces committed atrocities that injured several people after the demonstration had already broken up calmly."



Riot policemen in Paris grappling with a protester during the Armenian protest.

The Associated Press

PARIS — Riot police sealed off Paris's student quarter for hours over the weekend as they fought pro-Armenian protesters, arresting more than 200.

Another big demonstration Saturday, to protest conditions in Morocco, broke up quietly after dozens of arrests, police said.

There were no official reports of injuries, but spokesmen for both groups claimed several demonstrators were injured in attacks by the security forces.

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U.S. Conceals Some Nuclear Test Explosions

(Continued from Page 1)

trend toward smaller explosions in U.S. nuclear testing and that the new policy means a growing number of underground nuclear tests will probably be kept secret.

Since the signing of the treaty in 1963 by which the United States, the Soviet Union and other countries outlawed nuclear detonations in the atmosphere, space and oceans, the United States and the Soviet Union have conducted only underground tests of nuclear weapons.

Explosions are used to evaluate new warhead designs, safety mechanisms and the reliability of weapons already in an arsenal.

For more than a decade after the 1963 limited test ban treaty went into effect, the policy of classifying the existence of some underground tests was applied variably and was often based, according to scientists, on government estimates of whether geophysicists distant from the Nevada site could detect explosions with seismic instruments.

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Isolates Arms Pact
U.S. has officially accepted the new arms control agreement, which was signed in Washington last Friday. The pact appears to be a significant step forward.

Supreme Court
Yuri V. Andropov, Minister of Internal Affairs, has been appointed to the Supreme Court of the Soviet Union. He will be responsible for the supervision of the work of the Supreme Court.

Mediation Continues
The U.S. and Soviet governments are continuing their efforts to resolve the dispute over the Soviet invasion of Afghanistan.

Study of Arms Sales
A study of arms sales between the U.S. and Soviet Union is currently underway.

Reported in Jerusalem
A report in Jerusalem states that the U.S. and Soviet Union are engaged in secret negotiations.

Afghanistan
The U.S. and Soviet Union are continuing their efforts to resolve the dispute over the Soviet invasion of Afghanistan.

EPA Gets the Goods On Philly's Finest
U.S. law forbids tampering with the pollution-control devices installed on most cars. So the Environmental Protection Agency announced a stiff fine when its investigators got the evidence on a surprising offender: the Philadelphia Police Department. The EPA fined the Philadelphia force \$327,000 for

Reagan Budget to Seek Air Force, Navy Gains

AMERICAN TOPICS

Standing Room Only For Future Execution

The response was quick when the California corrections department announced that anyone could ask to attend the next execution at San Quentin prison, according to Coleman McCarthy, a Washington Post columnist. Within two days, more than 100 requests for seats reached the warden's office. But a prison spokesman said only 50 persons would be allowed in, because of safety regulations. The requests followed a Jan. 23 Supreme Court decision rejecting an argument brought by Robert Alton Harris, an inmate on San Quentin's death row, on an unrelated issue. No date has been set for his execution.

Invasion of Grenada Called 'Clear Success'

A Reagan administration official has reported that the Grenada invasion, goad-up aside, was "a clear success" in every major aspect.

Fred C. Ikle, undersecretary of defense for policy, made the comment before the House Armed Services Committee. He also gave an official accounting of casualties in the operation, which began Oct. 25. There

Aid to Poor Families: Holes in the Umbrella

A Columbia University study confirms that poor families in Sweden, France, West Germany, Britain, Australia, Israel and Canada can count on proportionally more government help than poor families in the United States.

All eight countries except the United States provide allowances to families with children, and all but the United States and Australia have statutory maternity benefits according to the three-year study.

"Civilized societies everywhere except in the United States recognize that children are a valuable resource," said one of the study's authors, Alfred J. Kahn of Columbia's School of Social Work.

The study noted that in Sweden, support payments to a single, jobless mother of two are equal to 93 percent of the after-tax income of the average worker in the country. France comes next, and Australia and Israel trail with 50 percent.

Notes on People

Spurred twice before in bids to buy cooperative apartments in Manhattan, former President Richard M. Nixon has won tentative approval of an offer to purchase a 12-room co-op on Park Avenue for \$1.8 million. As occupant of the building, the philanthropist Jacob M. Kaplan, 92, won an initial court delay after contending that Mr. Nixon's presence would turn the building into a "tourist attraction." But the building's directors last week approved the transaction, pending a vote by the building's shareholders.

The late Vice President Hubert H. Humphrey once wondered out loud whether his Minnesota political protégé, Walter F. Mondale, had "the fire in the belly" needed to run for president. But the Secret Service agents protecting Mr. Mondale in his campaign for the Democratic presidential nomination appear to have no doubts on the matter. Their nickname for him: "Dragon."

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Reagan Budget to Seek Air Force, Navy Gains

By Richard Halloran
New York Times Service

WASHINGTON — The air force and the navy would make large gains in a proposed \$305.7-billion military budget that President Ronald Reagan will submit to Congress Wednesday, according to Defense Department documents.

The proposed budget for the air force has been set at \$108.7 billion, a 15-percent rise over the 1984 fiscal year after accounting for expected inflation. The navy's budget proposal for the fiscal year beginning Oct. 1 will be \$101.3 billion, a 13-percent increase, the documents say.

In addition, according to the documents, the Defense Department will ask Congress to permit the air force to enlist 15,000 more airmen for a total of 610,000. The navy would add 10,000 sailors to reach 575,000, and the Marine Corps, which is part of the navy, would expand by 3,000 marines to a corps of 200,000.

In contrast, the army's proposed budget would grow 10 percent, to \$77.9 billion, and the army would be allowed to enlist 1,000 more soldiers, bringing its strength to 781,000, just slightly larger than the navy and Marine Corps combined.

The trend in the air force's budget has been steadily upward. The 1985 budget proposal would reverse a turn downward in the navy budget for 1984, which was modified in 1983 when Congress approved construction of two nuclear-powered aircraft carriers at a cost of \$6.8 billion.

The army, however, has run consistently behind the other services in expansion.

The proposed military budget, if adopted intact by Congress, would

be the largest since World War II, including budgets at the peak of the Korean War and Vietnam War, when measured in dollars of the same value.

That reflects Mr. Reagan's strategic priorities. He has called on the armed forces, largely the air force, to prepare for a protracted nuclear war, should it determine to do so.

In case of a conventional conflict, the president has instructed the services to be ready for prolonged global war, especially at sea.

The \$305.7 billion the administration plans to request would represent a 13-percent increase in the military budget. For 1982, the first full fiscal year of the Reagan administration, Congress voted a 12-percent increase. It then voted an 8-percent rise for 1983, and growth of 4 percent for the current fiscal year.

Those figures are measured in terms of the total authority Congress gives the Defense Department to order weapons, begin construction and recruit people. Budget specialists say the trend in that account is the best gauge of military strength.

In actual spending, the 1985 military budget is said to envision outlays of \$264.4 billion, an increase of 9.3 percent over this year's spending. That would be 29.1 percent of the \$907.3 billion in outlays for the federal government.

Budget specialists say spending is what affects the economy, including the federal deficit.

Military spending would be 6.8 percent of the gross national product, as against 5.5 percent in 1981, when Mr. Reagan took office. Soviet military spending runs to about 15 percent of a much smaller gross national product, while most Western European countries spend less than 3 percent.

Mondale Rebutts Reagan On Charge of Catering To 'Special Interests'

By Bernard Weinraub
New York Times Service

SACRAMENTO, California — Walter F. Mondale, saying he was eager to debate President Ronald Reagan, has accused the president of "serving wealthy and powerful special interests" and opposing

programs aimed at helping women, children, the elderly and the poor.

In a blunt, free-wheeling response to Mr. Reagan's criticism last week that Democratic candidates were trying to "buy support" with promises to special interests, Mr. Mondale said, "Nobody has served the wealthy and powerful special interests with more devotion for more years than Mr. Reagan."

"If I stand for feeding hungry children, which he opposes, is that some sort of seamy pledge to the American people?" asked the former vice president, who is seeking the Democratic presidential nomination. "If I want to control health care costs so that senior citizens have a chance for decent health care, is that considered an ignoble promise? If I stand for enforcing environmental laws, is that a special interest?"

"He stood with every polluter in America," Mr. Mondale said of the president. "He'd rather take them to lunch than to court."

Mr. Mondale's response to Mr. Reagan's harsh attack on the president was made Friday and Saturday in a series of news conferences and speeches in Sacramento and Seattle.

Privately, Mr. Mondale and his staff were delighted that Mr. Reagan, by 16 points in an NBC News-New York Times survey and by 3 points in an ABC News-Washington Post poll, Mr. Reagan's worst recent trial heats were in a Gallup Poll of Jan. 22 that found him tied with Mr. Mondale and John Glenn.

But the presidential campaign is 50 state-by-state contests in which Reagan strategists believe he has a stronger position than in the popular vote. A recent Republican estimate gave Mr. Reagan a "lock" on 157 electoral votes, with 270 needed for nomination.

In the 10 most populous states, Mr. Reagan strategists consider only Massachusetts unwinable. They put California, Florida and probably Texas solidly in the Reagan column.

"The Republicans have a big advantage in having a president from California and a vice president from Texas," a Mondale operative said.

Republicans expect the election to be a referendum on Mr. Reagan.

"The overarching issue is leadership," said Mr. Wirthlin, the pollster. "In 1980 the country rejected one kind of leadership, and Walter Mondale is still very much part of it." Ronald Reagan offered a new direction. The first key question is how well he accomplished the goals he set for himself and the second is whether the voters will give him a mandate for a second term to continue that leadership."

Democrats concede that Mr. Reagan has a winning personality, a rare skill in exploiting television, a strong electoral base, an experienced campaign team and a major advantage as an incumbent unopposed for renomination.

But they say those advantages will be offset, as the year goes on, by what they consider serious sub-surface weaknesses.

"He has alienated bigger chunks of the electorate than any previous president," said Mr. Mondale's pollster, Peter D. Hart.

The intensity of the opposition, particularly in minority communities, encourages Democrats to believe they can register and vote millions more people against Mr. Reagan than turned out in 1980.

"The idea that he is unbeatable has no foundation," a Mondale strategist said Friday.

While Republicans dwell on the vulnerabilities of the former vice president's Carter connection, Democrats see Mr. Mondale as having compensating strengths.

Some polls find the public rating him as Mr. Reagan's equal on integrity and experience.

Democrats Weigh Trial Of Line-Item Veto Power

By T.R. Reid
and Juan Williams
Washington Post Service

WASHINGTON — House Democrats are considering legislation to grant President Ronald Reagan one of the major requests in his State of the Union address, the line-item veto, on a one-year basis.

Representative Tony Coelho of California, the chairman of the House Democrats' political campaign committee, said that he and Representative David R. Obey, Democrat of Wisconsin, will urge colleagues this week to authorize line-item veto power for 1984 for Mr. Reagan to use at a White House breakfast.

House Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts, continued to treat the proposal as a political trap.

"The speaker is extremely suspicious," said his spokesman, Chris Matthews, adding that Mr. Reagan has talked about these bipartisan commissions before, and it's always a media sideshow to avoid the political heat."

Mr. Reagan called for the line-item veto in his address to Congress Wednesday. Such a measure, which would have to take the form of a constitutional amendment, would permit a president to cut specific items from the comprehensive spending bills passed by Congress. At present, a president must approve or reject such bills as a whole.

Previous attempts to pass constitutional amendments in Congress have been defeated.



CLOSING IN HARD — A Goodyear blimp appears to crash into the ground in San Diego, but it was only nosediving behind cliffs to get a closer look of "Black's Beach," a nude beach. The blimp was in the area to take aerial film of a nearby golfing event.

As Elections Near, Salvadoran Army And Rebels Prepare for New Clashes

By Juan M. Vasquez
Los Angeles Times Service

SAN SALVADOR — Despite the approach of elections aimed at advancing the democratic process in El Salvador, the army and the guerrillas are both preparing for a wider war.

Of the six presidential candidates, only José Napoleón Duarte of the Christian Democrats speaks openly of seeking talks with the left. Military commanders speak of need for more troops and more equipment to counter rebel successes and to get ready for expected new attacks.

The scope of the conflict is still limited to guerrilla raids and small infantry battles, but the use of larger units is becoming more frequent, as is the fighting itself.

"We believe the war is entering a new phase," Salvador Samayoa, a rebel spokesman, said recently. A former university instructor, he speaks for the Popular Liberation Forces, one of five Salvadoran guerrilla groups.

Mr. Samayoa and leaders of other insurgent groups united in the Farabundo Martí National Liberation Front deny that a new offensive is planned in connection with the March 25 elections.

On the other hand, the guerrillas and their political allies say they will neither take part in the elections nor permit any voting in the areas they control. These areas include substantial parts of five of El Salvador's 14 provinces — Morazán, San Miguel, Usulután, La Unión and Chalatenango.

At a news conference in the California state capital Saturday, Mr. Mondale said that Mr. Reagan led "the most special-interest-oriented administration in American history."

"He's wrong, wrong, wrong on every issue and I welcome a debate over what is a special interest and what is a public interest," Mr. Mondale said at a news conference in Seattle Friday. Hours later Mr. Mondale told an enthusiastic audience at a Democratic Party fundraising event, "I'm going to get the nomination and I'm going to beat that crowd by the biggest margin any incumbent ever got run out of office by."

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He asserted, "I enjoy and welcome the special interest issue because I am going to win it. It exposes the administration for what it is."

Speaking to a breakfast meeting of the National Organization for Women in Seattle, Mr. Mondale remarked, "There is nothing that this administration could do that it hasn't already done to tell women to stay in their place."

Mr. Mondale arrived in Seattle Thursday night from Iowa to campaign for Democratic support in the state's March 13 caucuses. On that day, eight other states will pick their convention delegates. Washington is significant because it will be the first Western state to hold a presidential contest.

In Seattle, Mr. Mondale picked up the endorsements of several prominent local peace activists as well as the entire five-member state congressional delegation.



Ecuadorans Cast Votes For New Government

By Juan de Onis
Los Angeles Times Service

QUITO, Ecuador — The "new democracy" that brought civilians back to power in 1979 is on a turbulent course toward electing a new government.

National elections were held Sunday to choose a new president, vice president, members of the 100-seat Chamber of Deputies and local officials but the results were not yet known.

Because none of the nine presidential candidates was expected to win the majority required for election in the first round, there is likely to be a runoff in May.

That means that the political pot will be kept boiling for nearly four more months under a lame-duck president, Osvaldo Hurtado Larrea, as politicians representing a wide spectrum of parties and regional interests scramble to line up behind each of the top vote-getters.

Most analysts in Quito fear that the scramble will lead to strong polarization in Ecuador, a country where Indian peasants and urban shanty dwellers are being brought into an active political role by huge recruitment drives.

Two candidates with sharply contrasting programs and backing are considered to be the most likely contestants in a runoff.

One is León Febres Cordero, a militant anti-Communist who has strong backing from the free-wheeling business community of Guayaquil, Ecuador's largest city and main port. The other is Rodrigo Borja, a Quito lawyer who is a democratic socialist.

Ecuador is a petroleum-exporting country, and it has seen state revenues increase tenfold in the past decade. Hence, the political debate centers on economic issues: Mr. Febres Cordero favors private enterprise and free-market policies; Mr. Borja favors state planning with more social investments.

In a runoff, Marxists and other leftists can be expected to back Mr. Borja against Mr. Febres Cordero.

The position of the Christian Democrats, now the backbone of the government under Mr. Hurtado, is uncertain.

The president is constitutionally prohibited from running for reelection, and Julio César Trujillo, the Christian Democratic leader and the party's candidate is not expected to make the runoff.

Despite its recent oil revenues, the civilian government elected in 1979 under the leadership of Jaime Roldós Aguilera, a young populist, has suffered severe setbacks.

In the four provinces east of the Lempa River, where the guerrillas have been strongest, the ratio of soldiers to rebels is scarcely more

than 1 to 10, forcing the army into an essentially defensive position.

The army can call in reinforcements from elsewhere in the country, but their mobility is hampered by a shortage of vehicles. U.S. officials hope they can soon increase the helicopter fleet, which now numbers 21, and also add to the number of trucks

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A Moment to Seize

The Reagan administration has a strange style in handling olive branches. The president recently invited Moscow to join in new efforts to control nuclear arms. But then let the U.S. Air Force advertise its contrary interest by testing an anti-satellite missile and let the officials sour the air by loudly accusing the Russians of violating arms agreements.

The air force test threatens to initiate a new round of weapons development that, to America's great detriment, would render all satellites vulnerable. Satellites are vital for communicating with nuclear forces, verifying Soviet treaty compliance and supplying early warning of attack. An erratic and cumbersome anti-satellite missile developed by the Soviet Union poses scant threat to them.

Last August, doubtless to head off the far superior air force missile then in development, the Russians proposed an anti-satellite treaty. Although imperfect, it offers a serious basis for negotiation. But the Reagan administration refuses even to talk, while the air force presses ahead. Once its missile proceeds beyond a certain stage, Soviet leaders might feel forced to develop theirs further. American satellites are expensive and long-lasting, whereas the Soviet Union depends on a multitude of cheap throwaways. Which stands more to gain from making satellites inviolable?

An anti-satellite treaty would serve the interests of stability, and American interests in particular. President Reagan not only spurned it with the air force's test on Jan. 21, but two days later he accused the Soviet Union of violating existing treaties on arms control. The channel for addressing such charges, known as the Standing Consultative Commission, has

resolved every disagreement brought before it during the Nixon, Ford and Carter administrations. In doing so it closed loopholes in the complex antiballistic missile treaty. This administration prefers to begin by crying foul.

But amid its ragbag of charges there is one serious issue: the Soviet Union's construction of a large phased array radar at Abalakovo in Siberia. The Russians contend that it is for tracking objects in space, but it could also defend against ballistic missiles, a purpose forbidden by the ABM treaty.

The treaty's ambiguity on dual-use phased array radars merits discussion. Mr. Reagan flung the charge at the Russians for the first time last September and now makes a public rumpus about his disbelief in their response. That offends the private diplomacy through which all such disputes are settled.

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—THE NEW YORK TIMES.

Great Success Abroad?

Mr. Reagan perceives that his foreign policy has been a great success. He discerns a new respect for America, new prospects for peace and freedom, and, not least, new vistas for bipartisanship in foreign policy. The rest of us can hope both that he is right and that he is not taking his review of his own performance as the last word. Politicians tend to react to achievements in the sphere of perceptions when they have few achievements to react for in the sphere of actual deeds. In the latter category, Mr. Reagan puts Grenada. During his State of the Union message, he presented to Congress a live authentic hero of the American intervention to dramatize his point.

Meanwhile, there is Lebanon. Again, Mr. Reagan perceives "progress." But a sizable and growing number of legislators, seeing trouble and an aimless policy, say they want to revoke or at least amend the 18-month permit for the marines that they voted last September. Lebanon, the single place where American servicemen are daily in danger, is getting drawn deeply into the political wars. The tide has now caught up House Speaker O'Neill, a Democrat formerly supportive of the president. Senator Gary Hart, a Democratic presidential candidate, suggested after the Reagan address that

parents of teenagers "may worry that your 17-year-old son might go to Lebanon instead of college next year." Is Senator Hart under the impression that there is a draft?

The fact is that the onset of Mr. Reagan's fourth year finds him in a curious place in foreign policy. If he can fairly claim to have restored respect for U.S. power, he has been much less successful, to put it charitably, in building respect for his skill and judgment in using U.S. power. Translating the new strength and resolve into policy turns out to be not so easy. In the key places — Lebanon, Central America, Moscow — the results that would vindicate the Reagan approach are not there.

In Lebanon, where the pace of events seems to be forcing some kind of break soon, the administration has no responsible choice but to play its not-so-strong diplomatic hand a while longer to help secure what benefits for Lebanon may still be available. Policy aside, it is not clear that the Democrats will reap political advantage by undercutting Mr. Reagan. But it is not merely the situation on the ground in Beirut, cruel as it is, that troubles many citizens. Mr. Reagan has yet to win much confidence in his ability to play his hand.

—THE WASHINGTON POST.

Thank You, Al Haig

Fair is fair, and credit should go where credit is due. Today we wish to hail former Secretary of State Alexander Haig for a signal and invaluable contribution to the English language. You heard us right.

Poor Mr. Haig, whose frequent gaudy contributions to government prose have never gone unnoticed, especially by us, emerges as the author of a marvelous term or at least as its adapter to modern bureaucratic usage.

As with most stunning discoveries this one came to us, the other day, embedded in a throwaway clause during a discussion about something else. An administration official was recounting to us the history of some episode or other. "Then there was a short delay," he explained. "I think it was because Al Haig came in and said the recommendation hadn't been snakechecked yet. So we . . ."

Wait a minute. "Snakechecked"? Yes, came

the reply, that was one of Al's favorite words. You snakechecked things — positions, policies, statements — before putting them out.

William Safire, the distinguished columnist and word maven from The New York Times, naturally got them before we did. Calling him, we learned that he had looked in on this back in May of 1982 and had established that the term is a transposition from General Haig's army bivouacking days when there was no accounting for the kinds of things that were likely to seek asylum in your knapsack during a night on the sod. Ergo, morning snakechecked.

We are stunned that the term's Washington utility was not spotted immediately by Safire readers. Can there be a single media warden or bureaucracy coven in town where it could not live a useful, even indispensable life? Be warned: We plan to make it our own.

—THE WASHINGTON POST.

Other Opinion

Making the Best of Reagan

America is not getting tired of Ronald Reagan; indeed, not since the days of Dwight Eisenhower has a president seemed so secure in the hearts of the people. That being the case, it should be the merest common sense for America's allies to try to understand the Reagan view of the world, instead of dismissing it patronizingly as the simpleminded notion of a former Hollywood movie star. Rhetoric apart, the Reagan record has been less crisis-ridden than those of his recent predecessors. The cowboy image persists less because of any-

thing he does than because his style and language lack a certain polish and sophistication. Whereas many commentators lean over backward, or at any rate leftward, to put the best gloss on Mr. Andropov, they habitually portray the American leader in the worst light possible. The assumption has been, of course, that the septuagenarian president would not be around for long. But if he gets re-elected in November, his chances of outlasting in power most of the other world leaders are pretty good. It is time to start trying to make the best, rather than the worst, of Ronald Reagan.

—The Sunday Telegraph (London).

FROM OUR JAN. 30 PAGES, 75 AND 50 YEARS AGO

1909: Minister Wins Lisbon Duel
LISBON — Senator Wenceslao de Lima, Minister of Foreign Affairs, fought a duel Jan. 29 with Senator José Azevedo, one-time Portuguese Minister to China and now editor of the *Diarion Popular*. Cause of the duel, fought in the Lisbon Velodrome, was an insulting article published by that journal. Senator de Lima wounded his adversary severely by running him through the right arm. The seconds of Senator de Lima were Senator Eduardo Villaca and Conde Paiva Vieira, while those of Senator Azevedo were Senator Pimentel Pinto and Senator Antônio Andrade. The Minister of Foreign Affairs has been the object of numerous congratulations on the result of the duel.

1934: Roosevelt to Sign Gold Act
WASHINGTON — President Roosevelt's signature on the Gold Act is expected to bring a series of proclamations, the most important of which will be that proclaiming the revaluation of the dollar, which, it is generally agreed, will be at the 60-cent maximum authorized by the new law. Economists have been divided as to whether the revaluation proclamation will immediately change the position of the dollar abroad. Some were inclined to believe that the tide of returning dollars may then offset immediate devaluation effects. But the treasury, with such enormous funds at its disposal, will eventually be able virtually to hold the dollar at whatever rate is desired.

—The Sunday Telegraph (London).

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Reagan's Softer Approach Should Be Taken Seriously

By Philip Geyelin

WASHINGTON — You can be held up to public ridicule for taking on faith anything said by a political candidate. A case at hand is Ronald Reagan's new opening to the Soviets. No sooner done, by his Jan. 16 speech and now reinforced by the State of the Union address, than it is written off in sophisticated quarters as a mere campaign antidote to public fears that Ronald Reagan cannot be relied on to keep America out of war.

But amid its ragbag of charges there is one serious issue: the Soviet Union's construction of a large phased array radar at Abalakovo in Siberia. The Russians contend that it is for tracking objects in space, but it could also defend against ballistic missiles, a purpose forbidden by the ABM treaty. The treaty's ambiguity on dual-use phased array radars merits discussion. Mr. Reagan flung the charge at the Russians for the first time last September and now makes a public rumpus about his disbelief in their response. That offends the private diplomacy through which all such disputes are settled.

Well, as James Thurber said, you might just as well fall flat on your face as lean too far over backward. So, accepting the risk of the former, I would assert that the current Reagan outreach to the "evil empire," while convenient for his re-election push, was designed to serve purposes of far greater importance.

It was, to begin with, a State Department special, cooked up by professional diplomats and experts on Soviet affairs, and originally timed for delivery to coincide with the Soviet Central Committee meeting late last month. It constituted a genuine effort to deal with what the professionals perceived as a dangerous deterioration in U.S.-Soviet relations.

The new tack was to be an insurance policy against critical miscalculation. Nobody had confidence that breakthroughs of substance would result. But it ought not to be discounted as campaign oratory on that account.

According to an official intimately involved, this was the rationale. A combination of white-hot Reagan rhetoric, the shooting down of KAL 007, a sense of disorganization

in Moscow and the successful deployment of intermediate-range nuclear missiles in Europe had brought the Washington-Moscow relationship to a perilous pass. It was urgent to reinstate "dialogue," if only because the absence of it carried unacceptable risks.

Not the least of the purposes was to find out if the suspected disparity in the Moscow leadership — given the disappearance from public view of the ailing Yuri Andropov — left the Kremlin still capable of organizing a response. In that sense, Mr. Andropov's faintly reasonable written rejoinder last Tuesday can be read as a positive if wholly inconclusive, early return on Mr. Reagan's initiative.

That rejoinder falls well short of the evidence that the Soviet high command is in a position — never mind a disposition — to pick up even the most modest measures to restore a safer state of relations.

"We're still not sure what's at the other end of that may be nobody who can."

This uncertainty was an element in the decision to probe. If the struggle for succession to Mr. Andropov is as intense as some experts think it is — and may have been for the past six months or longer — then some merit is seen in offering to "whatever more rational group there may be in the Kremlin something to grab hold of," an expert says.

It is also important to know what Mr. Reagan's new emphasis on accommodation

does not mean: He remains, in his fundamental beliefs about the Soviet Union, no less hostile, no less persuaded of the need to do business only from a position of strength. So you cannot preclude a return to high-pitched rhetoric if the Soviets are foolish enough to take upon themselves the cans of being blatantly "anti-peace." The somewhat muted Andropov answer suggests that they are not.

What the new approach to Moscow means is that Ronald Reagan has revised his calculation of relative U.S.-Soviet strength. The president now believes that his increases in the military budget — even though those increases are largely untranslated into substantive policy — have best fit his political purposes, which no president can, then have to be open to the belief that what we are witnessing is a welcome confluence of national security and domestic political imperatives.

denied in his State of the Union report. "We can now move with confidence to seize the opportunity for peace."

That, too, is a wonderfully convenient conclusion to have reached at the beginning of a presidential campaign. But it also happens to be a conclusion shared by State Department policymakers, including professionals not known for their softness.

And that is precisely the point.

The importance of the new look in the Reagan approach to the Soviets is all too easily missed if no attention is paid to its origins. Unless you believe that a president can whip up policies from the hunches that best fit his political purposes, which no president can, then have to be open to the belief that what we are witnessing is a welcome confluence of national security and domestic political imperatives.

The Washington Post

Watching as Reagan Prepared a One-Man Spectacular

'It Would Be Stunning Indeed If He Should Decline to Run'

By Tom Wicker

He returned to his familiar appeal to "family values," offered a masked press conference with no mention of its cost, and declared, to the applause of those who could forget Nicaragua, "Government that rest on the consent of the governed do not make war on their neighbors."

Once again Mr. Reagan showed that he is a great speaker; more important, he demonstrated his mastery of all the chords that tend to make American hearts thump and thrill. And the themes he sounded will be haunting the Democrats from now until November — not least the slogan "America is back."

From what? From a long decline that had drained this nation's spirit, to a "new beginning." So skillfully did Mr. Reagan develop this motif that he did not even need to tell anyone what came under the Democratic care and what had been brought by his own administration.

This president never forgets the football-fan desire of so many Americans to be "number one," or at least to be told they are number one. But this time he surpassed himself in the fulsome of his tributes to American greatness. No one should believe that this aspect of his speech was mere political flattery; rather it is so effective probably because Mr. Reagan really believes it, as do most of the millions who heard him.

He also managed, perhaps less sincerely, the remarkable feat of launching a new campaign against government ("still spending too large a percentage of the total economy"), although now he is its executive head.

And let us not mock them now, any more than we would mock someone with syphilis or smallpox or yaws or any of the other diseases to which the flesh is heir. All we have to do is separate them from the levers of power, I think.

And then what? Western Civilization's long, hard trip to sobriety might begin.

A word about appeasement, something World War II supposedly taught us not to practice: I say the world has been ruined by appeasement. Of whom? The neo-Nazis? No, the compulsive war-preparers. I can scarcely name a nation that has not lost most of its freedom and wealth in attempts to appease its own addicts to preparations for war.

And there is no appealing an addict for very long. "I swear, man, just lay enough bread on me for 20 multiple re-entry vehicles and a fleet of B-1 bombers, and I'll never bother you again . . ."

Most addicts start innocently enough in childhood. Not every child gets hooked. Not every child tempts grow up to be a drunk or a gambler or a babble about knocking down the incoming missiles of the Evil Empire with laser beams. I doubt that more than one child in a hundred, having seen fireworks, for example, will become an adult who wants us to stop squandering our substance on education and health and social justice and the arts and food and shelter and clothing for the needy, and so on — who wants us to blow it all on ammunition instead, to satisfy his addiction to the thrills of de-molition battleships and inventing weapons systems against which there cannot possibly be a defense, supposedly, and urging the citizenry to hate this part of humanity or that one, and knocking over little governments that might aid and abet an enemy some day, and so on.

Should addicts of any sort hold high office in any country?

I wish to call attention to another form of addiction, which has not been previously identified. It is more like gambling than drinking, since the people afflicted are ravenous for situations that will cause their bodies to release exciting chemicals into their bloodstreams. I am persuaded that there are among us people who are tragically hooked on preparations for war.

Tell people with that disease that war is coming and we have to get ready for it, and for a few minutes there they will be as happy as a drunk with his martini breakfast or

ing this bloody century is possible.

We the people, because of our ignorance of the disease, have again and again entrusted power to people we did not know were sickies.

And let us not mock them now, any more than we would mock

France Redeployed Troops in Chad In Effort to Expel Libya, Report Says

Reuters

PARIS — French forces extended their control over Chadian territory over the weekend in what military analysts in Paris see as a major strategy shift. The strategy, according to the newspaper *Le Monde*, is aimed at forcing Libyan troops out of the country.

French helicopter crews conducted a reconnaissance mission Saturday over a new defense zone secured on Friday after troops moved about 60 miles (100 kilometers) north of the former French "red line" across central Chad.

The crews detected "no hostile

presence" and no new clashes have been reported in Chad since rebel forces shot down a French Jaguar aircraft on Wednesday, killing the pilot. The jet was on a reconnaissance flight after rebels attacked a Chad government position at Ziguéy, 200 miles north of N'djamena, the capital.

Military analysts in Paris said sandstorms in the war zone since Thursday hindered an immediate French retaliatory strike against the Libyan-backed rebels of the former Chad president, Goukouni Oueddei.

But France had signaled a

change in strategy by advancing its troops, they said. The troops have been given orders to engage any hostile forces in the area.

Le Monde said: "It is no longer a question of stopping the Libyan penetration in Chad and in the process saving the regime in N'djamena as was the case in August. It is a question of making Tripoli retreat."

The move brings French soldiers to the forward defense line established by the government forces of President Hissène Habré 120 miles south of the main rebel bases at Fada and Faya-Largeau.

The military analysts said the 3,000-member French force supporting the government troops of Mr. Habré was in range of direct contact with the rebels.

They said the new security line could be reached by Libyan fighters based in southern Libya and in the contested Aouzou strip.

The only serious battle in Chad since French troops arrived last August to support the Habré government took place at Oum Chaibou, within the new defense zone, in September. In that battle, a rebel column clashed with Mr. Habré's forces.

To counter the increased risk of moving closer to enemy territory, France has increased its air strength in N'djamena with more Mirage jet fighters, Jaguars and Breguet-Atlantic reconnaissance planes, military sources said.

They said the latest arrivals would more than triple French air power and allow long range missions. A Defense Ministry spokesman refused to comment.

France dispatched troops to help the government forces halt a rebel drive southward in August. Hostilities ended with a military stalemate that failed to produce a diplomatic solution and effectively partitioned the country.

Although Libya has consistently denied having troops in Chad, France said it believed Libya was to blame for last week's incidents.

Le Monde said French reconnaissance of Tordoum, a rebel fall-back position north of Ziguéy and lying within the new defense zone, showed heavy armaments that could not have been deployed without major support from Libya.

It said the Libyan Army was well-supplied with the Soviet-made weapons sighted at the Tordoum oasis.

Rebel Warns of Retribution

A spokesman for the rebels in Chad warned Saturday that France's troop movements could provoke anti-French reprisals and direct intervention by Libya.

Members such as Cuba and Nicaragua wanted a strong condemnation

Canada Backs 9 Citizens In Lawsuit Against CIA

By Michael T. Kaufman

New York Times Service

OTTAWA — Canadian officials have announced that they intend to support nine Canadian citizens in a lawsuit against the United States for compensation for being used as unknowing subjects in psychiatric experiments in Montreal 27 years ago.

The U.S. Central Intelligence Agency secretly paid for the experiments.

A Canadian television program recently gave prominence to the legal claims of the plaintiffs and suggested that the government had acted timidly.

Foreign Minister Allan J. MacEachen said Wednesday in Parliament that his office, which until now had agreed to U.S. requests to keep secret any documents relating to the case, was considering an appeal to the International Court of Justice in behalf of the subjects of the experiments.

Mr. MacEachen's reference was explained by his aides as a commitment to increase pressure on the United States to settle the suit. It was filed seven years ago in the U.S. District Court in Washington, and the nine Canadians are each seeking \$1 million.

Missile Protesters Accuse U.K. Army

Compiled by Our Staff From Dispatches

LONDON — Former British soldiers who have become anti-nuclear activists have called for an inquiry into allegations of army brutality against women demonstrators at a nuclear weapons base near London.

The former servicemen, who are now members of the Campaign for Nuclear Disarmament, passed a resolution Saturday that called for an official investigation of the complaints. Women camped outside the Greenham Common base, where the first U.S. cruise missiles were deployed in Britain, said that several of them had been kicked, assaulted and abused during a demonstration there in December.

Also on Saturday, in Mülungen, West Germany, police arrested 22 persons who had blocked an entrance to a U.S. Army base that is believed to be a deployment site for Pershing-2 missiles. A police spokesman said that 60 persons had taken part in the protest at the base, which is 30 miles (48 kilometers) east of Stuttgart. (Reuters, UP)

On Friday the Canadian Embassy sent a note to the State Department that was said to have asked the United States to give documents to the plaintiffs' attorney and to act quickly on compensation.

A CIA spokesman, Dale Peterson, said the CIA would not comment on the case because the suit was pending.

The project in behavior modification, or brainwashing, came to light in 1977 in articles in the New York Times that were based on thousands of documents released by the Central Intelligence Agency to John Marks, a free-lance writer and former State Department official.

The articles and a subsequent book by Mr. Marks called "The Search for the Manchurian Candidate" described how a CIA team called the Society for the Investigation of Human Ecology helped pay for the work of Dr. D. Ewen Cameron, a psychiatrist who headed the Allan Memorial Institute in Montreal. He died 10 years ago in a mountain-climbing accident.

Even before the CIA involvement, his work included the administration of heavy doses of the hallucinogen LSD to patients, the application of powerful electric shocks two or three times a day and drugging patients into prolonged periods of sleep while exploring techniques of behavior modification and what was termed deprogramming.

According to the records examined by Mr. Marks, 53 patients were treated at the Montreal hospital with such procedures. In no case were they or their relatives told that they were participating in experiments.

Mr. MacEachen's statements about the suit came in answer to questions by David Orlifow, a member of Parliament from Winnipeg whose wife, Velma, is one of the nine plaintiffs.

Mr. Orlifow said he learned of the experiments and the CIA connection when he read the articles in The Times. His wife had been in Dr. Cameron's care during the time of the experiments.

On the television program, Mrs. Orlifow said she had been given daily doses of hallucinogenic drugs and had been forced to listen for days to repeated taped messages that suggested things she should believe and discuss with Dr. Cameron.

Another former patient said the experiments left her with no memory of the births of her children.

LETTERS TO THE EDITOR

Four Baltic Dissidents

Regarding the agency report "Soviet Says U.S. Fuels Subversion in the Baltic" (IHT, Jan. 16):

By giving only the Tass versions of the sentencing of Janis Rojkalis, Janis Veveris, Iiris Taalits and Liija Doronina-Lasmane, without the reasons for the charges of "anti-Soviet agitation and propaganda," this report leaves your readers with insufficient information about the significance of their sentences.

All four defendants were religious believers. In the case of Liija Doronina-Lasmane, it seems that they were involved with a nationalist organization was minimal.

A more complete story would have taken into account the Western press coverage of the trials of these people, and the support found for them among Christians in the West. The Soviet authorities does not have to foment nationalism in those countries.

ANTHONY MANTYKOWSKI
Carrouges, France.

Lithuania, once part of the Russian empire, became independent after 1918. They were annexed by the Soviet Union in 1940. Readers might conclude that Moscow had recovered "lost territories," but the fact is that the Baltic states have existed as long as Russia itself.

Estonia existed before the 14th century, when it was dominated by the Teutonic Order; in the 16th century it came under Sweden, then Poland, Latvia and Lithuania, too, are ancient countries.

After the Russian revolution of 1917 the three Baltic countries once again proclaimed their independence, but in 1940 the Soviet Union occupied them, later making them Soviet republics. They were annexed forcefully and illegally, while the free world stood aside.

The brave people of those Baltic states will never accept the Soviet occupation. The United States does not have to foment nationalism in those countries.

ESTHER DIANE BRIMMER
New College,
Oxford, England.

America and UNESCO

The intention of the Reagan administration to pull the United States out of UNESCO at the end of 1984 is the latest mark in the rising tide of anti-internationalism in America. The threatened withdrawal is a serious matter, but the deeper threat comes from the possi-

bility of an American withdrawal from the entire UN system.

The United States carries heavy responsibility, and anti-internationalism is a dangerous approach to international affairs. The superpowers assume the right to a defensive capability to destroy the world. They must accept the concomitant responsibility to promote international stability.

The role of international leader demands active participation in the international system. Yes, the United Nations and UNESCO are flawed, but both have such far-reaching benefits that the United States must not abandon them.

Literacy and intellectual exchange, the principal work of UNESCO, should be promoted by the leading liberal democracy. UNESCO has become too political in recent years, but its course is best recharted from within.

HOWARD MORGAN
Alicante, Spain.

Ladylike in Austria

Regarding "No, Women Aren't Better Off in America" (IHT, Jan. 13) by Brenda Maddox:

As an American male studying in Europe, I observe that during a two-week orientation program on Austrian culture and life, it was stressed that my female fellow students should not smile at Austrian

ELENA SKOURETIS
Rome.

The report says, "The Baltic re-

publics of Estonia, Latvia and

the deeper threat comes from the possi-

men (very suggestive) or enter bars without a male companion (begging for trouble), and that they should order their drinks in smaller quantities than males (bad taste to be seen drinking as much as a man — again, suggestive).

I do wonder if women are not treated more fairly at home.

WALTER C. CRONIN
Vienna

Unfair to Cowboys

Maybe it's time everybody knocked off calling President Reagan a cowboy. I've known and hired quite a few cowboys, and every one of them had a pretty clear idea of how to handle his job, turned in a good day's work and never expected more than one vacation a year. So it's unfair to associate Ronald Reagan with cowboys. He just doesn't measure up.

ESTHER DIANE BRIMMER
New College,
Oxford, England.

Super Bowl Alchemy

What we saw on Jan. 22 was one fine team, the Los Angeles Raiders, defeat another fine team, the Washington Redskins. When sportswriter Bob Oates (IHT, Jan. 24) calls Washington a team of "mediocre players," he forgets the old axiom that on any given Sunday one team may turn to gold.

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John W.

International Bond Prices - Week of Jan. 26

Provided by White Weld Securities, London, Tel: 623-1277; a Division of Financière Crédit Suisse-First Boston
Prices may vary according to market conditions and other factors.

RECENT ISSUES

Am	Security	Str/Conv Issue	Yield	Middle	Mo	Avg	Avg Life Carr	Mo	Price	Avg	Yield
S 28	Westmills Landscap	100% 71 Jun 3	10.5%	114	114	114	114	114	114	114	10.5%
dm 129	Westmills Econ Com	100% 71 Jun 3	10.5%	114	114	114	114	114	114	114	10.5%
S 125	Allied Chemical	75% 74 Feb 5	10.5%	99	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 160	Nationa	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 161	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 162	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 163	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
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S 167	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
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S 170	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 171	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 172	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 173	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 174	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 175	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
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S 178	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 179	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 180	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 181	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
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S 184	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 185	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 186	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
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S 196	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
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S 198	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 199	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 200	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 201	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 202	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 203	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 204	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 205	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
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S 207	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 208	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 209	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
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S 213	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 214	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 215	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
S 216	Renewer Incent E/W	75% 74 Feb 5	10.5%	100	7.64	7.64	7.64	7.64	7.64	7.64	10.5%
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Palm Beach A RENAISSANCE



Elegance... it began at the Breakers

by AGNES ASH

Julian Fellowes, a London-schooled dramatic actor who also works for Walt Disney Productions thus indicating his wide range of experience in fantasy, made his first visit to Palm Beach recently.

Fellowes observed the meticulous maintenance of private and public greens, the un-wrinkled linens wrapping the inhabitants and declared, "This is the only place in the United States that is completed. All other American cities, and the people in them, appear to be under construction."

While the observation wasn't accurate in fact, it was accurate in feeling. Palm Beach is rigidly neat. Mansions, no matter how large, are regularly painted and roofed,

hedges are trimmed to a specific height by local law, nobody goes shoeless or shirtless on the public streets even if they are bicycling to the beach.

Palm Beach is an island. This statement is often challenged by visitors who insist on getting their geography right. The island 14 miles long and one half mile wide at its fullest point, dead ends on the North and the Palm Beach inlet separating it from another community, "Singer Island." To the South it is connected by a series of bridges along route A1A, to other resort spots along Florida's Atlantic coastline.

Flagler never saw Palm Beach until a few years after he had completed the Ponce de Leon Hotel in St. Augustine, Florida,

built at a cost of about \$2 million. In 1893 when Flagler's railroad was being pushed southward, Flagler decided to "create the real paradise of his heart, Palm Beach." He bought his land from another legendary American Industrialist, Robert R. McCormick of International Harvester, who settled in Palm Beach in the late 1870's. This purchase started a boom that raised prices of land once considered "swampland" as high as \$1,000 an acre. Today an acre would go for at least one million dollars.

When Royal Poinciana Hotel opened, Flagler's railroad had been completed to West Palm Beach, but the work was not

(Continued on Page 8, Col. 1)

Banking services reflect the needs of new internationals

by SHARON DENNY

PALM BEACH — A new wave of European emigration is headed for America. But the westward pioneers of 1984 differ greatly from the ancestors that preceded them across the Atlantic.

As one German industrialist who has moved his family to this island community notes, "We are the second phase of an immigration that began with our grandparents. The difference is, we are coming with wealth, not with one broken down suitcase. And we're not arriving through Ellis Island," he adds. "We're coming through Miami International Airport."

For the most part, after landing in Miami, these Europeans head 70 miles north and settle in Palm Beach County, an area whose population has doubled in the past decade, due in no small part to the influx of foreigners.

Growth of this magnitude has forced sweeping changes. Once a winter haven for cold-weather-weary and wealthy Americans, Palm Beach has become a vibrant international community. And perhaps no other fierce rivalry industry more aptly reflects the transformation than banking.

Just six years ago, First National Bank of Palm Beach had only two branches, both located on the island of Palm Beach. Today it has eight branches, five of them on the mainland in Palm Beach County, where developers have carved communities out of what once was swamp and scrub.

The town of Palm Beach has always been the scene of fierce banking rivalry because of its extraordinarily affluent citizenry, but growth and the influx of new residents has now made this a county-wide phenomenon.

Dozens of financial institutions have moved here in pursuit of new concentrations of wealth. In 1979, for instance, there were 92 bank branches in the county. Today there are 164.

But more than just opening new branches, First National has added

ed sophistication to its banking services. Customers can buy a dozen foreign currencies at any of the bank's branches at a moment's notice. And to facilitate overseas fund transfers, First National maintains correspondent relationships with banks in the United Kingdom, France, Germany, and Switzerland. It has established an Edge Act bank in Coral Gables. Edge banks hold deposits of, and make loans solely to foreigners.)

"Many of the services that European banks have traditionally performed for their clients have not been allowed in the United States because of federal and state regulations," notes First National's President Thomas M. Kersey.

But not any longer. Although modern, state-of-the-art banking

is in place in many of the world's financial capitals, it has arrived in Palm Beach County rather recently — but in a very big way.

To be sure, Europeans don't flock to Palm Beach because of its banking facilities. They come to Palm Beach and create the need for these services. But why Palm Beach County?

"In the last few years this area has held a tremendous attraction for Europeans," according to Kersey. "They are products of the new industrial wealth that has developed in Western Europe in the last decade. And they come here for a variety of reasons. Diversification of assets is not their only objective," he continues, "a European wants to raise their children here and give them an American education. Then they want to take them back to their homeland in the summer."

"But more than that," adds Kersey, "they are seeking what they feel is one of the last havens of safety in the world. A lot of the feeling among many of the Europeans coming here is that the NATO alliance is not the be all and end all it's supposed to be.

(Continued on Page 9, Col. 5)



Martha Schaeffer (in an Emanuel dress) and son Alexander in Martha's window on Worth Avenue.

Martha: "First Lady of Fashion"

Martha came to Palm Beach in the early 30's, took one look at the place and decided to open a fashion salon. "Because, to me, it was the most exciting place in the world. And you know, I'd been to Monte Carlo and all over the world," she said in a recent interview in Palm Beach.

"I was very impressed with Palm Beach," she added. "The surroundings were gorgeous and everybody was here to look beautiful and have a wonderful time. It was grandeur, it really was."

After opening in 1945 on Worth Avenue, up the street from the exclusive Everglades Club, Martha proceeded to change Palm Beach's fashion image and turned it into a winter resort where women dressed during the daytime as well as in the evening. "I really changed the tune," she said. "When I first came to Palm Beach, nobody bought any clothes really. They wore no color, only black and brown. After February, everybody disappeared."

Martha introduced pastels, elegant Liberty lawn dresses with starched, white cuffs and collars, sable or ermine-lined shocking pink sweaters for evening and brought high fashion designers in person to Palm Beach. "I feel very responsible for the glamour I brought to Palm Beach," she said.

Today, her name is magic in the fashion industry and Martha is a class act all to herself. Whether she is advising clients (never dare call them customers) on what to wear and what not to wear, having a pleasant chat with old friend, French cosmetic queen Lilly Dache, covering international collections from Rome to Paris to New York or simply supervising the stock backstage, Martha is everywhere and sees everything, jewelled to death, wearing an emerald the size of a champagne cork (almost), stacks of expensive chains, exquisitely coiffured dressed to kill by the best couture designers, Martha, as it is, is her own best publicity.

Watching her move about her store is fascinating. She never loses a minute, trotting around in mincing steps but never mincing words. To one and all, Martha tells it as it is, a quality true professionals really enjoy. For her record for being first in recognizing the quality of world designers is rare. Her courage, conviction and unerring instinct have proved her right and have made her millions in a world where so many waver and hesitate. One after another, she discovered and brought to America Valentino, Mila Schon, Andre Laug, Laura Biagiotti and David and Elizabeth Emanuel (who designed Princess Diana's wedding dress and trousseau). The flamboyant London designer Zandra Rhodes recently recalled that "Only Martha would believe in a designer with orange hair."

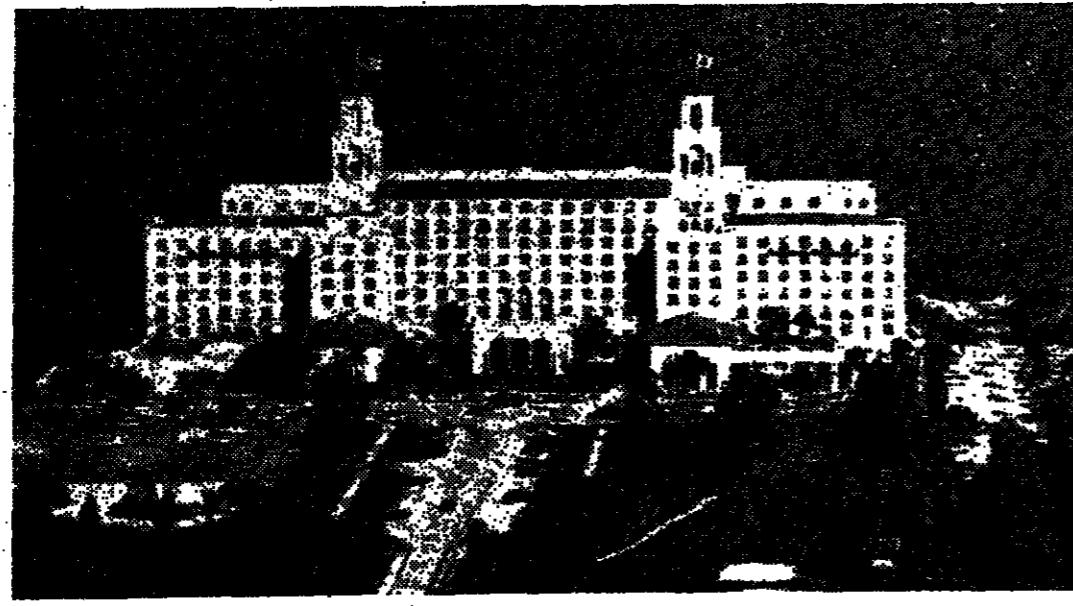
Grateful designers have heaped praise on Martha, who has been something like their Godmother.

At a recent black-tie dinner, at which she celebrated 50 years of career, Martha invited all her favorite designers, including Bill Blass who got up and called her

"Our own First Lady of Fashion," adding that "To the world of fashion, Martha has meant courage - her spirit, instincts and sound fashion sense have all been

(Continued on Page 8, Col. 8)

EXPERIENCE A PALM BEACH TRADITION.



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to
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and as always

475 PARK AVENUE

New York Palm Beach Bal Harbour Trump Tower

Palm Beach Renaissance



Breakers' Chefs relax for a moment.

THE BREAKERS (Continued from Page 7)

quite finished, continuing on through another season.

The hotel quickly became the gathering place for "wealth, fashion and society." Prices ranged as high as \$100 a day American plan per couple. Guests dressed very conservatively. Ladies wore dark skirts and white blouses with leg-of-mutton sleeves. The men wore light trousers or knickers, dark coats, stiff collars and caps. Golf was the popular sports among the visitors. Tourist life in Palm Beach was based around bathing, sailing, fishing, and bicycling. Teas, balls, dinners, concerts and cakewalks were indoor diversions. A trolley car drawn by a donkey carried guests and luggage from the Royal Poinciana and the Breakers, Flagler's second hotel here, to the beach. Flagler also built a bridge and track over Lake Worth from West Palm Beach to his Palm Beach hotels, where guests literally stepped out onto a red carpet.

When it was built, the Royal Poinciana was the largest hotel in the world, although it had cost only about half as much as Flagler's Ponce de Leon in St. Augustine. It had 540 bedrooms, a dining hall that seated 1,600 and miles of hallways. An early account notes "those who had been going to the Riviera were ripe for a change and came to Palm Beach instead."

Closely associated with the opening of the two Palm Beach

hotels was the Beach Club, a gambling resort run by Col. Edward R. Bradley, supposedly with the approval of Flagler. Colonel Bradley became so closely associated with the early life of Palm Beach that many have probably forgotten that he had first opened a gaming club at St. Augustine. The Beach Club was opened in Palm Beach on what was described as a modest scale. It was not until women were admitted to play that business really picked up. There were then, as now, Florida laws against gambling, but Bradley was not "bothered." One of his rules was that no resident of Florida could play. Another was that no one was permitted to play who could not afford to lose.

When Bradley died, his will directed that the Beach Club be razed and that the gambling equipment be taken out to sea and dumped. The land was willed to the city in perpetuity. The ultra wealthy who maintain winter homes here (many are third and fourth generation) are beginning to settle in permanently, selling homes in Northern industrial cities and moving their base of operation to Florida. The Rich like to be near their money so financial institutions follow them to Palm Beach thus providing the commercial community with more banks and brokerage houses per square foot than any city in the United States.

Lawyers make up to 40% of the working population for the same reason. Wills and trusts are constantly being revised.

What is the Palm Beacher's daily routine? It's athletics in the morning with golf, tennis or croquet at the Breakers hotel or at one of the private clubs. Then lunch on Worth Avenue or at Testa's or Too-Jays, very informally.

Shopping is light during the late afternoon hours because everyone is home taking restorative measures before cocktail time. Then on to a charity ball (there are an average of two a week in the height of the season and tickets average about \$150 each). On non-charity nights it is possible to dine in at least a dozen top quality restaurants in the area or attend the Poinciana Playhouse where first quality Broadway shows do two week runs from January through March. Tuesday evening is "art gallery" night when most new collectors open.

In between there are trips to Miami to go to the races at Hialeah or Gulfstream park. Most Palm Beachers make the 70 mile trip to the Miami race tracks on Saturday when the best horses are running.

Property prices in Palm Beach are constantly lifting skyward. Figuratively and literally, private homes range in price from \$350,000 (for a modest two bedroom cement block house on a small lot) to the recent sale of the Marjorie Merriweather Post estate which fetched a reported 14 million dollars for its 17 acres and 118 rooms.

These prices send many shoppers into the condominium market. It is still possible to buy a spacious high-rise apartment with that magic 33480 zip code for \$150,000. The location determines the price. The new Breaker's Row II condominiums, on the Breakers hotel property, will sell from \$850,000 to 1.9 million but this is the top address in town.

Europeans have invested seriously here. The Robert De Balkany bought Eugenie Marron's house, near Sloan's curve and got an instant mansion. Susan and Youla Troubetzkoy bought a more modest house on Via Marilla and have redone it with antique furniture.

Maria Pia de Savoia and Michel

Bourbon Parma bought on the lake near Marylee and Douglas Fairbanks, Jr., Alejo Vidal Quadras, the portrait painter who spends most of the year in Paris, became a Palm Beacher when he bought a sunny house on Ridgeview Avenue and paints there, maintaining the discipline that has made it possible to afford a home in the sub-tropics.

No matter what goes on in Palm Beach, it all comes together at the 568 room Breakers hotel.

Today the Breakers is the focal point of all activity for both the tourists and the established winter colony. Business seminars and lavish charity balls are held there. It is impossible to function in Palm Beach without two or three meals per week at the Breakers.

When Palm Beachers move into apartments, the Breakers becomes the guest house. All guests are sent there if not to the Colony or the Brazilian Court hotels, smaller European flavored establishments, both close to Worth Avenue.

Rates of the Breaker's range from \$185 to \$275 for a double room on the top of the season, December through April. This includes Breakfast and Dinner.



Dining in Palm Beach

In the old Palm Beach tradition, millionaires travelled with their staff, including chefs and butlers. They ate either at home or at their club, the most famous being the Everglades, the Bath and Tennis, the Seminole Golf Club and the Palm Beach Country Club.

However, in the last ten years, with the growth of the area and the arrival of newcomers without club affiliations, Palm Beach has been acquiring restaurants with a European flavor. Here are some of the landmarks which attract die-hard Palm Beachers as well.

TESTAS — 221 Poinciana Way. 832-0992.

MAURICES — 191 Bradley Place. 659-2005.

NANDOS — 221 Royal Palm Way. 655-3031.

LA TRATTORIA — 251 Sunrise Avenue. 659-3950.

CAPRICCIO — Royal Poinciana Plaza. 659-5955.

LE MONEGASQUE — 2509 Ocean Boulevard. 585-0071.

CAFE L'EUROPE — In the Esplanade, on Worth Avenue. 455-4020.

CHARLEY'S CRAB — 456 South Ocean Boulevard. 659-1500.

CHUCK AND HAROLD'S — 207 Royal Poinciana Way. 659-1440.

DONHERY'S — 288 South County Road. 655-6200.

HAMBURGER HEAVEN — 314 South County Road. 655-5277.

MANDARIN — 331 South County Road. 659-2005.

TWO-SIXTY-FOUR — 264 North County Road. 633-3591.

TA-DOO — 221 Worth Avenue. 655-5562.

PETITE MARMITE — 315 Worth Avenue. 655-0550.

STATUE AND FLOWERS ARE PART OF SHOPPING IN PALM BEACH.

BLACK AND WHITE SEASHELL YACHTING PYJAMAS, THE TOP RE-EMBROIDERED WITH SEQUINS. BY BILL BLASS.

BLACK AND WHITE LINEN SUIT BY CAROLINA HERRERA.



Young families shopping in Palm Beach

Shopping in Palm Beach

Palm Beach is a mecca for those shopping for a rich spouse and those just shopping. The latter find the selection, variety — and quality — more extensive than the former could ever hope.

The island's immense snob appeal is a magnet for the monied — which, in turn, attracts an elite merchant. Worth Avenue, a mile-long, ocean-to-lake shrine to conspicuous consumption, boasts the likes of Hermes, Gucci, Louis Vuitton, Martha, Sara Fredericks, Van Cleef and Arpels, Cartier, and Mark Cross.

There are also smaller, proprietary establishments, some owned by honest-to-good celebrities. Beauty queen D. Kylene Barker, then Miss Virginia, told judges at the 1978 Miss America pageant that her life's dream was "to open a boutique on Worth Avenue in Palm Beach." She won the title and opened her boutique, D. Kylene, which she owns with her husband, photographer James Brandon.

In addition to D. Kylene, there also is an actual Sara Fredericks, who has given new meaning to the term "living over the store." There really is a Martha. She's Martha Phillips, who, with her daughter Lynn Manulis, reigns as the arbiter of Palm Beach haute couture. The living, breathing Aldo Gucci has made Palm Beach as well.

Peggy Rao, Aldo Gucci, said the Palm Beach store's top of the line would "probably be our lizard duffel bag." The price? A cool three grand.

Another one who is hitting the Palm Beach market at just the right time is Oscar D'Argent, a 50-year-old snakeskin firm from Ecuador. The family was in both the wood and reptile business but, "Since 1975, we've concentrated on reptiles which is now the latest fad," said Oscar Gilman, who is the designer of bags and belts as well as the owner of the firm. "We have special colors that no one else does, such as orange, hot pink, turquoise," he said. "But right now, pastels are favorites."

"All the skins are from non-endangered species from South America and enter the United States under permits issued by the U.S. Fish and Wildlife Department," he added.

A representative of Van Cleef & Arpels says, "The most expensive item in our Palm Beach store right now is only \$125,000." But he adds, "because the company's Palm Beach customers lead a more casual existence, "he says, "our most expensive item would run two, two-and-a-half million."

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MARTHA

(Continued from Page 7)

constantly an inspiration. Other tributes came from Godfrey Beene, who confessed "being constantly amazed at the astute perception of Martha to grasp the taste level of her customers and to present it to them so personally." Oscar de la Renta has lauded her "inimitable good taste" and Calamari declared: "She stands out as a very special light in the fashion scene."

For the late Norman Norell himself a fashion legend, Martha was, quite simply "One of the fashion greats."

But who, exactly, is Martha whose name today shines over four stores in Palm Beach, Bel Air, New York plus two in New York City? She was born and raised in Brooklyn where her Austrian-born father did custom-tailoring. Her mother and very social-cutting, the shop was called, somewhat prophetically, "The Star."

One day, Martha, only eight years old, came in and asked her father if she could help. He got her a cradle, set it behind the counter and there she attended school, selling lace blouses.

"I did quite well," she remembered. "People were so amused by this little girl playing shop that they would end up buying in from me."

At 18, she married Phillip R. Phillips, a ready-to-wear manufacturer with whom she took frequent business trips to Europe. This led her eventually to open her own shop in 1934, on the 12th floor of a building on Madison Avenue — a logical step for a woman whose parents and husband were in the ready-to-wear business.

This was in the middle of the Depression and the rent was \$1,200 a month. But then, Martha added, "I was lucky. I had nothing that sold under \$100."

Her Worth Avenue store in Palm Beach opened in 1945, was the first to offer the Gold Coast a look of its own, with whites and pastels no one else had. Martha opened in Bal Harbour in 1965 and in 1966 she moved from 775 Fifth Avenue to 475 Park Avenue. Last fall, she opened a duplex store in the Trump Tower, with Art Deco overtones and a grand staircase of black steel, brass and glass against a background of pale pinks and taupes alight with mirrors.

In spirit, all the Martha stores are elegantly alike — in pale pastels, with wall-to-wall carpeting, plush velvet settees and giant crystal chandeliers.

The lighting is soft and pink and highly flattering, which is not an accident. It is designed by Lynn Manulis, Martha's daughter and right arm who used to be in the theater before joining her mother's company.

It is the kind of place where rich men walk in, get a cup of coffee in the finest China, sink into the pillows — and never ask the price. All they do is sign checks big ones.

Now, Martha and her daughter work together very closely. They do all the buying for their stores and know instinctively what the other will like. Lynn (who is married to a physician, Dr. Fred Manulis) has been with her mother for 20 years and specializes in the European market, travelling three or four times a year to Rome, London, Milan and Paris.

The two have fared remarkably in a highly competitive, rough market where the individual has to stand up against powerful department stores. "But that's also our strength," Lynn remarked. "We don't have to go through board meetings. We can turn things around in a matter of minutes."

They have come a long way. In 1968 when the late Jazzy Lowell, Jr., returned from a batch of polo tournaments, he brought with him a team and either pass it along to a roommate or carry it off for an attempt at a

cup. Now he is the captain of the polo team and has won the United States Open International polo tournament.

He is back in Palm Beach, where he is the captain of the polo team and has won the United States Open International polo tournament.

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FACTS AND FIGURES

POPULATION: 10,000 the year around. 35,000 in season.

SEASON: The Season stretches from Thanksgiving to Easter. However, Palm Beach, which used to shut tight in the summer, is getting to be more of a year-around town. Most hotels and restaurants stay open all year, as do shops on Worth Avenue.

WEATHER: Sunshine prevails about 70% of the year. Rainfall averages about 2.1 inches from November to May and 7.98 inches from June to October. Temperature ranges from a high of 83 degrees to a low of 66 degrees.

LIFESTYLE: Casual, except at the height of the season.

TRANSPORTATION: There is an international airport in West Palm Beach.

Oscar D'Argent

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INTERNATIONAL BUSINESS/FINANCE

MONDAY, JANUARY 30, 1984

Page 11

EUROBONDS

By CARL GEWIRTZ

Rush of Money Into Market Allows Borrowing Costs to Fall Sharply

PARIS — While analysts pondered how much more the terms on floating rate notes could be squeezed, money continued to pour into the market last week — enabling issuers to borrow money at a cost that no one would have dared thought possible.

The biggest surprise of the week was Spain, regarded as one of Europe's weaker credits. It offered \$200 million of 13-year notes and within hours increased the amount to \$250 million. Investors have the option to request repayment after the eighth or tenth year.

Interest was set at a thin $\frac{1}{4}$ point over the London interbank rate for six-month Eurodollars.

Spain's low cost of money shocked the market. Allowing for the $\frac{1}{4}$ point premium paid to banks, Spain will be paying in effect 28 basis points over Libor the entire loan is repaid after eight years or only 22 basis points over Libor if investors decide to hold the notes for the full 13 years. One hundred basis points equal one percentage point.

A week earlier, the market was again when Denmark — considered a better risk than Spain — issued \$500 million of 20-year notes at a cost of 23 basis points over Libor. A fair number of traders apparently short the Danish paper short on the assumption that the price would have to fall sharply, but they were forced to back-track.

The price dropped 65 basis points early in the week but by Friday was out to a modest discount of 31 basis points.

As the cost of sovereign paper compressed, so did the cost of highly private-sector issues. Citibank, Sanwa Bank of Japan and Commerzbank all offered floaters with interest set at the interbank rate — the first issued to be offered in the Eurobond market without any margin over Libor.

Commerzbank, West Germany's third-largest bank, offered \$100 million of five-year floating rate notes with interest set at the three-month Libor rate. At the same time, it offered warrants entitling holders to buy \$100 million of five-year bonds at par bearing a coupon of 11½ percent. The warrants were sold at \$12½. This income coupled with the low (45 basis points) commission paid to market the floater reduced the bank's cost of funds to 20 basis points below Libor.

Citicorp Sells 7-Year Notes

Citicorp, which sold £100 million of seven-year notes, will pay interest at the three-month interbank rate for sterling. A commission of $\frac{1}{4}$ percent means it will pay 7 basis points over Libor for its money.

Sanwa's \$150 million of eight-year notes, with interest set at the six-month Libor rate, cost the issuer 12½ basis points over Libor as it paid a commission of 1 percent.

Many analysts now believe that margin-free Libor will become the prevailing interest rate and that front-end commissions will be used to fine tune the yield to attract purchasers.

The buyers are mostly institutions that can claw back some of the commission for themselves. Floaters are increasingly being sold to U.S. institutions — money-market funds, savings and loan associations, insurance companies and corporate treasurers — who are drawn to Libor.

(Continued on Page 13, Col. 1)

In Tight Market, Banks Are Expected To Look Again at Low-Return Loans

By Carl Gewirtz

International Herald Tribune

PARIS — In years of the Euromarket's tremendous expansion, it was widely assumed that the driving force behind international bank lending was not the demand from borrowers for cash but the competition of banks to grow by increasing their assets, or loans.

That competition drove lending margins down and banks that at first refused to concede such thin terms were forced by the pressure to grow to join the fray.

The emergence of the debt crisis in Latin America in 1982 put an end to all that. The game plan for

SYNDICATED LOANS

banks now is not absolute size or rate of growth of the balance sheet, but rather quality as measured by profits. The banks, their management say, will no longer be chasing new business.

But can they afford not to?

Banks have not stopped accepting deposits on which they pay interest. And that money has to be deployed to earn even more interest if the bank is to show a profit. To whom will they be lending?

Thanks to the lingering effects of the recession in Europe and the robust increase in profits of U.S. companies, traditional corporate loan demand is not very high. And thanks to the enormous demand for floating rate paper in the international capital markets, the most creditworthy of the sovereign borrowers are now financing themselves in the public market.

For a while, banks were willing to fill their own books with these floating rate notes. Banks attracting funds at the bid side of the

interbank rate, $\frac{1}{4}$ point below the offered rate, would take FRNs paying $\frac{1}{4}$ point over the bid rate and pocket commissions ranging up to $\frac{1}{2}$ percent to squeeze out a barely acceptable rate of return on such assets.

But competition to buy FRNs has radically altered that market. Spreads over Libor and front-end commissions have collapsed. Spain, which less than a year ago paid 55 basis points over Libor to raise money in the FRN market, is now paying less than 30 basis points over.

This compression has obviously not run its course yet as Spain's latest FRN was well received.

The essential point, however, is that FRNs are ceasing to become a profitable outlet for banks that have to pay for their own funds. At the same time, banks are not likely to tell the treasures of their multinational customers that they refuse to accept their deposits at the going market rate. So the deposit money is there and needs to be used.

The implication is that the banks will be driven to bid more aggressively for business that is not likely to go to the FRN market — Greece and Portugal, for example, which have both only once tapped the market on a very modest scale — and look again at business that had been shunned.

For many banks, this means taking a new look at Eastern Europe. Despite a rise of about \$100 million in loans outstanding to the Soviet Union between September 1982 and September 1983, the latest period for which data are available, loans to Eastern Europe have dropped \$3.5 billion, or about 7 percent over that period.

The Soviet Union has tried to break back into the market and is looking at the bid side of the

Porsche To End VW Accord

Firm to Change U.S. Distribution

United Press International

TROY, Michigan — Porsche AG, the West German sports car maker, has told Volkswagen of America that it is ending their 15-year distribution relationship in the United States, VW has said.

Volkswagen said Friday that it was told by Porsche that an import and licensing agreement will not be renewed when it expires Aug. 31. Volkswagen will continue to import and distribute Porsche cars until then.

"While we have not been informed of Porsche's future business and distribution plans for its products in the U.S., the potential consequences of the action are being studied," Volkswagen said.

A Volkswagen spokesman, Tom McDonald, would not comment on the value of the licensing agreement, "but you can imagine that distributing 22,000 cars per year at a cost of \$26,000 to \$45,000 per car represents a significant amount of money," he said.

Volkswagen sells Porsche sports cars and Audi sedans through its Porsche-Audi division, which has 323 dealers in the United States. It said a separate Audi division now will be set up. Audi is a division of Volkswagenwerk AG.

The automaker said it expects sales of Audis to equal or surpass sales of the current Porsche-Audi division because of Audi's sales growth and its future product plans.

Volkswagen has been the authorized U.S. importer of Porsche products since October 1969. Since then it has sold about 250,000 Porsches in the United States. Porsche sales last year were 22,000, the highest in Porsche history.

Porsche's decision is the latest in a series of setbacks for Volkswagen, which was the only U.S. automaker to record a decline in sales last year — a drop of 6.7 percent.

Volkswagen sales have declined steadily in the United States since 1980.

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Porsche's

NEW EUROBOND ISSUES

Issuer		Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
Degussa Int'l Finance IADB		DM100	1994	7 1/4	99 1/2	7.58	First callable at 101 1/4 in 1990.
		DM100	1991	8 1/2	100	8 1/2	Noncallable. Private placement.
Canadian Occidental Pet.	ca 50	1999	12%	99 1/2	12.52		Indicated yield for a 5-yr life. Retractable of issuer's or lenders' option in 1989 and 1994. issuer may set new coupon one month before each redemption date.
Bank of Tokyo (Curacao)	ECU 40	1991	10%	100	10%		Callable at 101 in 1987.

Money Continues to Pour Into Eurobond Market

(Continued from Page 11)

because it is pricier than U.S. interest rates.

Liber, currently at 10 percent, is 184 basis points over the six-month Treasury bill rate, 86 basis points over U.S. domestic bank certificates of deposit and 80 points over commercial paper.

Thus, all things being equal, Liber-priced paper represents an instant pickup in yield for business-sensitive U.S. investors. A margin over Liber makes Euromarket purchases even more attractive—but U.S. institutions do not have to have that margin; Liber alone is enough of an appeal to draw them to this market.

The only problem with this view is that all things may not always be equal.

The essence of a money market is its liquidity, the assurance that paper can be sold at face value at any time or, at worst, held to maturity within six months. There is normally no risk of capital loss.

Floating rate notes, in contrast to U.S. money-market instruments, do not mature in six months. The coupon is reset at that time, which means the value of the notes will reflect prevailing conditions. But there is no obligation for anyone to buy paper offered.

Floaters currently trade as if demand at any coupon date will be sufficient to assure that the notes trade at the original purchase price. As a result, maturities have been stretched out and floaters regarded as quasi-perpetual six-month instruments.

But what happens if today's buyers become tomorrow's sellers. Who will buy the paper? How secure is the face value of floating rate notes, regardless of how realistic the coupon is relative to short-term interest rates, if sellers outnumber buyers?

The optimists believe the floating rate note market has become a permanent adjunct to the New York money markets and that the liquidity is here to stay.

But pessimists, of which there are many, see a potential for capital loss. Astounded by the compression in spreads and the implicit improvement in credit standing, these analysts fear that a reversal may occur.

They argue that if the current low concern about liquidity were to evaporate and as a result historical Euromarket yield differentials between borrowers were to re-emerge, the compression on spreads now being witnessed would be reversed. As a result, the price of sovereign floating rate notes would have to fall sharply.

A loss of capital, it is feared, could trigger an evacuation from the market as investors who misperceive the risks rush to get out.

At present, this is clearly a minority view; the volume of floating rate notes—\$940 million of new issues last week and \$1.35 billion a week earlier—speaks for itself.

Other new floaters include \$250 million for the Italian state railway, Ferrovie dello Stato, which is offering 4-point over Liber. Investors can request redemption after eight or 10 years or hold the notes to final maturity in 15 years. Ferrovia's cost of funds, including commissions, is 40 basis points over Liber if the entire issue is repaid after eight years, 37 basis points if held for 10 years or 33 points if outstanding for 15 years.

Union Bank of Norway is also in the market, raising \$30 million at 4% point over Liber for 15 years.

In the fixed-coupon market, the notable development is the special status accorded top U.S. corporate names. General Electric Credit, for example, sold \$200 million of senior bonds a week ago at par bearing a coupon of 11 percent.

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Despite the fury to buy Japanese shares that drove the Tokyo stock index to a record last week, the equity-linked issues for Nissho Iwai and Kayaba Industries were lackluster performers compared to Oxo.

In the Deutsche mark sector, the same preference for U.S. corporate names was apparent. In the wake of GMAC's 7-percent coupon on five-year notes and Allied Chemical's 7 1/2 percent on 10-year bonds, PepsiCo this week is expected to offer 250 million DM of 10-year bonds bearing a coupon of 7 1/4 percent.

Bankers report that the Swiss are big buyers of the U.S. corporate names and also returning to the DM market in the expectation that the currency is likely to appreciate against the franc.

Last week, Degussa sold 100 million DM of 10-year bonds bearing a coupon of 7 1/4 percent. The paper, issued at 99 1/2, was quoted at a discount of 3/4 point. At the same time, the Inter-American Development Bank made a private placement of 100 million DM of seven-year notes at par bearing a coupon of 8 1/4 percent.

In addition to PepsiCo, this week will see new issues for the World Bank, Crédit National de France and the European Resettlement Commission.

Dealers said the GE paper was being absorbed and noted that the supposedly unattractive yield was no deterrent to investors who liked the name of the borrower.

Bankers expect that other quality U.S. companies will be drawn to this market even though they may not be pressed to seek funds.

The assumption is that U.S. interest rates are not likely to tumble as the recovery progresses and that the opportunity to borrow at so much below the domestic benchmark level is too good to be ignored.

Banks, however, do not enjoy this special status. Security Pacific offered \$100 million of eight-year notes at par bearing a coupon of 12 percent and tumbled to a discount of 9 1/4%. The bank at the same made a private placement in the Far East of \$75 million of five-year notes at par bearing a coupon of 11 1/4 percent.

In the convertible market, Ono Pharmaceutical was the outstanding success of the week, trading at a when-issued price of 109. Its \$60-million bond issue was announced with an expected coupon of 3 1/4 percent and in light of the tremendous demand dealers were questioning whether this might be lowered by the time final terms are set on Feb. 3.

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The EC market also remains buoyant with the steady flow of issues easily placed with investors in the Benelux area. The Bank of Tokyo offered 40 million ECU of seven-year notes at par bearing a coupon of 10% percent.

The Bank Més & Hope issue of 100 million guilders also had no trouble. The five-year notes were priced at par with a coupon of 8 1/4 percent.

In the Canadian dollar sector, Canadian Occidental Petroleum offered 50 million dollars of 12 1/2 percent bonds priced at 99%. The issue has a nominal life of 15 years but every five years investors can request redemption or the issuer can set a new coupon making this a five-year note renewable twice.

The CD is being offered for 6 months at 9 percent annually and for 24 months at 10 percent.

Russians Build Share of West European Shipping

Business, Military Officials Worried by Moscow's Price-Cutting Tactics

By John Tagliabue
New York Times Service

BREMEN, West Germany — Although the freighter on the Weser River was out of Leningrad, its load of dark coffee beans, destined for the huge silos of such local roasters as Jakobs or General Foods' Hag subsidiary, came from the Caribbean.

A decade ago, Soviet freighters rarely came to West German ports. But the rock-bottom rates of Eastern-bloc merchant ships, mainly from the Soviet Union, have won them a widening share of seaborne traffic in Germany and throughout Europe.

Upset by these concerns, the European business and govern-

ment leaders are growing increasingly alarmed at the Soviet inroads, which they say, are crushing European shipowners already hurt by a worldwide transportation recession, high fuel prices and bitter competition among themselves.

Moreover, European national security officials say that the expanding Soviet shipping activity heightens dependence on the Soviet Union for the transport of critical cargoes.

And they add, it provides an easy entry into major ports for such numbers of Soviet trade and consular officials who may take part in Soviet intelligence-gathering operations.

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ment leaders are growing increasingly alarmed at the Soviet inroads, which they say, are crushing European shipowners already hurt by a worldwide transportation recession, high fuel prices and bitter competition among themselves.

Meanwhile, the national security officials argue that the growing Soviet shipping strength poses a strategic as well as a commercial threat.

"There is a Western tendency, unfortunately, to view this purely economically, as the rise of a competitor," said Vice Admiral Ansgar Bethge, a West German expert on Soviet shipping.

"That is an error. And we shall pay for it."

According to the shipowners' group, about half of Soviet cargo involve cross trade — trade between two nations other than the ship's home country. As a result, the group said, Russia's merchant ships move about 5.6 percent of world cargoes even though the Soviet economy generates only about 2.5 percent of world trade.

Prices and market shares on major world shipping routes are set by major shipping companies in arrangements called conferences. But European shippers complain that Soviet lines muscle into traditional trade routes by shamming conference prices and underbidding Western competitors.

Thus, within four years Soviet vessels on their way home after dropping goods in Cuba have captured about 13 percent of lucrative coffee and cotton cargoes from the Caribbean region to Western Europe by undercutting conventional prices by roughly a third.

Last autumn, the shipowners, with EC backing, reached agreement with Soviet transport officials on limiting price discounts and market shares in the Caribbean trade. And talks are scheduled for later this year on East African trade routes, where Russian vessels have moved in strongly.

"The problem hits the whole Hamburg-to-Bordeaux range," said Waldemar Hofmann, a former EC official, in describing the extent of European damage. Mr. Hofmann is now responsible for shipping in the West German Economic Ministry in Bonn.

In 1978, to avert damage to its shipping nations — Britain, France, Germany, Belgium and the Netherlands — the EC began to monitor cargoes on major trade routes to Central America and East Africa. In 1981, the Far East was added.

French officials say their government plans an initiative to give European legal tools such as countervailing duties, as a sign that the bank board's letter was having an impact. Mr. Gitt, however, returned to the office after a stint at Prudential-Bache that lasted less than a week.

The Dean Witter Financial Services Group has been coordinating the activities of Sears affiliates. In 1982, it began marketing the Sears U.S. Government Money Market Trust to holders of Sears credit cards.

Despite government and business concern, there is little enthusiasm in major European ports for curtailing Eastern-bloc shipping.

"We are a municipal port authority — we do business with all and any customers," said Robert Vleugels, director of the port authority of Antwerp, Belgium's largest port. Antwerp handles about 1,200 Soviet ships a year, he said.

Few European governments have yet taken action against the widening Soviet presence. One exception, however, is the Netherlands, where the government irritated Soviet officials last year by refusing a request to open a consulate in Rotterdam, the world's largest port.

Rotterdam officials backed the Soviet petition but the Dutch government argued that the harbor's role as a major port of entry for NATO weapons and materiel ruled out a broad Russian presence there.

Dean Witter Faces Ban On S&L Stock Trading

By Michael Quint
New York Times Service

NEW YORK — Dean Witter Reynolds Inc., the securities-dealing arm of Sears, Roebuck & Co., could be required to stop trading stocks of savings and loan companies, according to a letter from the Federal Home Loan Bank Board, which regulates the savings and loan industry.

Since 1982, when Allstate Savings & Loan Association was made a part of the Dean Witter Financial Services Group, Dean Witter has been trading the stocks of other savings and loan associations, according to the terms of a special opinion from the bank board.

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NEW YORK (API)-Weekly Over the Counter stocks giving the high, low, and last bid prices for the week with the net change from the previous week's last bid prices. All quotations supplied by the National Association of Security Dealers, Inc., are not actual transactions but are representative interdealer prices at which these securities could have been sold. Prices do not include retail markup, or markdown or commission. Sales supplied by NASD.

Sales In	Net			
100s	High	Low	Last	Ch'ge
	A			

Sales in Net
100s High Low Last Chg

	100s	High	Low	Last	Chg.
	2125	11%	%	11% - 7%	
	22	5%	5%	5% + 1%	
	466	5%	5%	5% - 1%	
P	.12	1.2	15%	10	10
			1117	%	3% - 2%
	1.52	4.9	31	31	31 + 1%
			73	4%	4% + 4%
	2.88	6.1	32	49	47% + 4%
			21	14%	14% + 1%
			10	19%	19% + 1%
			1650	18%	18% + 1%
	1.260	3.2	37%	37%	37% + 1%
	.52	2.6	1129	20	19% + 1%

Over-the-Counter

Over the Counter						
Sales In				Net		
	100s	High	Low	Last	Chgce	
y	.50	24	5	21	21	21
Sv	420	85	101	58	501/2	+6
r			235	174	163/4	-1
r	14	14	429/2	10	-10	-2
Sales In						
	100s	High	Low	Last	Chgce	
ClyBeg	.30	33	314	25	342/4	-16
ChairSt			250	28	18	181/4
Clark's	.30	29	28	28	28	-1
Classic			378	124	129/2	121/2

Sales in 100s	Net					Sales in 100s	Net				
	High	Low	Last	Chg%	High		Low	Last	Chg%		
FSLR	55	27	47	+20%	194	194	204	194	204	+1%	194
FidSL			45	10%	1016	1016	1016	1016	1016	-1%	1016
Frd	1.76	54	12	-37%	3274	3274	3325	3274	3325	+1%	3274
GloMot			114	-15%	15	15	15	15	15	-1%	15
GovWls	.49	31	73	+20%	195	195	195	195	195	-1%	195
Hawai	2.60	41	35	-42%	4242	4242	4242	4242	4242	-1%	4242
HICP	1.98	42	15	-77%	1715	1715	1715	1715	1715	-1%	1715
Indi			75	14%	1495	1495	1495	1495	1495	+1%	1495
InvesTRK			31	10%	1012	1012	1012	1012	1012	-1%	1012
JernI	1.40	63	349	+24%	26	26	26	26	26	-1%	26
Jefr pf	1.00	11	11	33%	3746	3746	3746	3746	3746	+1%	3746
Kyntn	1.30	45	109	-21%	2516	2516	2516	2516	2516	+1%	2516
LamFa			124	-19%	1976	1976	1976	1976	1976	-1%	1976
Mabs	1.30	47	122	-21%	2514	2514	2514	2514	2514	+1%	2514

	Sales in				
	1985		High	Low	Last
Norutis	1,199	13	70	394	364
Neuro S			67	215	214
NorthBC			78	276	76
NewAFC	1,037	29	32	33	240
NRBums			263	561	58
NE Bals	40	11	227	35	340
NW-FTP			337	21	2
NWHTM			126,011	20%	20%
NJNH's	1,403	57	73	28	28
NWWood			830	256	34
NYAArt			527	100	95
NYFR	400	4	614	140	140
NYHRK WH			27	184	184

NASDAQ National Market

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Herald Tribune

**Reaching More Than
a Third of a Million
Readers in 164 Countries
Around the World**

SPORTS

Carl Lewis Sets Indoor Mark With a Long Jump of 28-10 $\frac{1}{4}$

By James Dunaway

New York Times Service

NEW YORK — "When a long jump gets a good one, he knows it's away. As soon as I left the track, I knew it was at least 28-6."

Lewis made that comment a minute after he broke his indoor long-jump mark by 0.4 inches by reaching 28-0 $\frac{1}{4}$ inches (8.79 meters) at the '84 Games here Friday night. The only two long-jumps completed were Bob Beaman's world record of 29-2 $\frac{1}{4}$; set in the high jump of Mexico City in the 1968 games, with an aiding wind of 2.3 per second (about 4.5 miles per hour), and Lewis's outdoor best, also 28-10 $\frac{1}{4}$, set last June in Indianapolis, with an aiding wind of 1.89 meters per second.

"When you also consider the short runway and the hard landing pit, it sounds like well over 30 feet to me," said Garry Hill, the magazine's managing editor.

In terms of other events as compared by the International Amateur Athletic Federation's scoring tables, a 29-6 $\frac{1}{4}$ jump is the equivalent of a mile run in 3 minutes, 40 seconds (compared to the present world record of 3:47.33), or a 100-meter dash in less than 9.58 seconds (compared to the world record for the 1984 Olympic trials in June).

Bessette is one of several hundred amateur American athletes who are benefiting from a recent interpretation of Olympic rules. As the 1984 Games draw closer, more and more corporations are providing jobs and support for Olympic contenders.

Preparing for the Olympics, athletes and coaches say, is expensive, both in training and equipment and in time lost from careers that are postponed until after the Games.

Although 277 American athletes are receiving help from corporations, thousands of others are still on their own. And even those with sponsors say they have to make sacrifices.

The idea for corporate sponsorship was developed during the 1976 Olympics by Howard Miller, then the president of Can-Am Corp., while he was watching a wrestling match.

"Why should our athletes have to do it all themselves?" he remembers thinking.

"In other countries the government pays, in the United States, why not the corporations?"

Miller's plan, now officially the Olympic Jobs Program, is administered by the U.S. Olympic Committee, based in Colorado Springs. Canteen Corp. is one of 130 companies participating in the program.

Top-ranked amateurs are matched with companies willing to give them a full-time job, several hours of company time each day to train and extra vacation time to attend tournaments around the world.

"This is the only way I could have kept going," said Bessette, who at 30 has reached what many experts consider the peak age for his sport. "They're not paying me to be an athlete, they're paying me to do a job. But I'm able to get on with my career this way, too, so I won't be starting new when I finish competing."

That Bessette and others are being paid to work, not to train, is the crux of the program, says its directors, who stress that Olympic rules were reinterpreted, not broken, in creating the plan.

"They are salaried employees or they are working for their tuition, that's legal," said

Cheryl Abbott, administrator of the program. "It's just that Americans have never thought of doing this before."

According to rules passed before the 1976 Games by the International Olympic Committee, Miller said, athletes can receive money "as long as what they're paid to do professionally isn't what they do athletically."

"That's why the Russians can call Olga Korbut first lieutenant in the Russian Army and pay all her expenses," he said.

To qualify for the program, athletes must apply to the U.S. Olympic Committee and must be ranked by the committee as potential Olympic athletes. Files on the athletes who qualify are sent to participating corporations.

Bessette was given his job at Travelers in 1980.

Each morning he arrives at the office at 7:30, before the rest of the staff, and works until 1:30 P.M. When most of his coworkers are finishing lunch, Bessette heads for the university, where he throws hamsters of different weights for four hours. His evenings are spent at home in Tolland taking ballet lessons to improve his agility.

For Dennis Milton, a national champion boxer, the major need to keep up his training was money. Under a separate Olympic grants program sponsored by Anheuser-Busch and called Olympic Gold, he has been able to study at Pace University in

New York City and cover his expenses with a part-time job. The company pays his tuition and reimburses him for the income lost when he is at tournaments.

In return, Milton is expected to maintain a C average and a ranking in the top 12 of the middle-heavyweight class, and he has agreed to appear in promotional materials that Anheuser-Busch released about the program.

For Robert R. Djokovich, a member of the national handball team, the main problem was finding enough vacation time for tournaments.

He is a licensed electrician who was looking for a job when he received an offer to work as a broker in New York. For the past two years his employer, Lasser Marshall Inc., has allowed him to take unlimited paid vacations to attend tournaments.

"We needed a broker, and Bobby needed someone to help him out," said Michael H. Judge, vice president of Lasser Marshall. "He has made a good contribution to the desk. I hope we're making some contribution to the team."

In 1983, Djokovich, 27, took off 15 weeks to compete in such places as Romania, Cuba, Iceland and Hungary. This month he began a leave of absence to train full time with the team in Boulder, Colorado. Lasser Marshall has promised him his job whenever he returns.

U.S. Companies Ease Burden of Olympic Athletes

New York Times Service

NEW YORK — Andrew Bessette, unable to mix the pressures of work and sport, almost stopped training for the Olympics.

"I needed to make a living," he said, "but after eight hours at an office, who has energy to hurt a hammer?"

Bessette need not make that choice now. He is a world-class competitor in the hammer throw, working 30 hours a week in Hartford, Connecticut, as a personnel administrator for Travelers Corp., an insurance company, but being paid for 40 hours. He spends the rest of the time at the University of Connecticut, in Storrs, practicing for the 1984 Olympic trials in June.

Bessette is one of several hundred amateur American athletes who are benefiting from a recent interpretation of Olympic rules.

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Andreas Wenzel Wins Supergiant Slalom Race

Compiled by Our Staff From Dispatches

GARMISCH-PARTENKIRCHEN, West Germany — Andreas Wenzel of Liechtenstein won a World Cup supergiant slalom race here Sunday, edging Pirmin Zurbriggen of Switzerland by nine-hundredths of a second.

Wenzel posted a time of one minute, 36.53 seconds over the demanding 51-gate, 2,220-meter (7,283-foot) course. It was his ninth career victory and his second this season.

Zurbriggen, the current leader in the World Cup downhill and overall standings, clocked 1:36.62 through the course, which has a drop of 555 meters. Hans Ems of Austria took third with a 1:37.55 after hitting a gate in the middle of the icy course. Luxembourg's Marc Girardelli was fourth at 1:37.62.

Sweden's Ingemar Stenmark continued his hot streak with a fifth-place 1:37.68.

On Saturday, in the men's downhill, Steve Podborski posted Canada's first victory of the season.

Podborski covered the 32-gate, 3,320-meter course in 1:36.95, finishing ahead of Erwin Resch of

Austria.

Resch was timed in 1:37.20, followed closely by teammate Franz Klammer, the 1976 Olympic gold medalist, in 1:37.44.

Peter Müller of Switzerland, getting off to a shaky start in the tricky turns at the top of the course, made up time in the flats to finish fourth in 1:38.00. His teammate, Silvano Meili, took fifth in 1:38.10, and Zurbriggen was sixth at 1:38.23.

Zurbriggen won the combined standing, computed from Saturday's downhill and Sunday's supergiant slalom, ahead of Wenzel.

Phil Mahre of the United States, the defending overall World Cup champion, did not race here.

Coaches said he was preparing for the forthcoming Olympic Games at Sarajevo, Yugoslavia.

The victory was Podborski's second in a row.

On Saturday, in the men's slalom, Steve Wenzel, West Germany, and Hubert Strelz, Austria, 1:39.27.

Martin Haag, Switzerland, 1:39.24.

Thomas Mairhofer, Switzerland, 1:39.28.

Peter Müller, Switzerland, 1:39.29.

1. ZURBRIGGEN, 209 points.

2. WENZEL, 168.

3. STENMARK, 158.

4. HAAG, 156; HEINZNER, 123.

5. STEINER, 119.

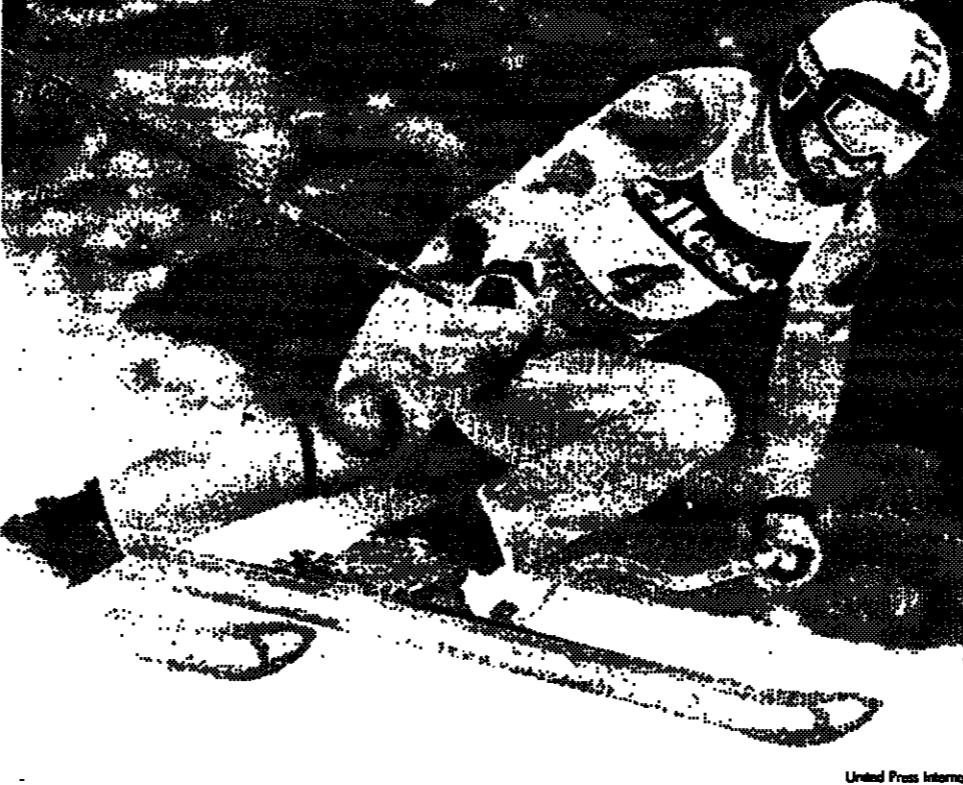
6. URS ROBER, SWITZERLAND, 108.

7. GRUBER AND RESCH, 90.

8. BOJAN KRIZIĆ, YUGOSLAVIA, 87.

it was too much tailored to the abilities of the giant slalom specialists.

(AP, UPI)



Andreas Wenzel on his way to victory Sunday in a supergiant slalom event.

Hess Takes Giant Slalom in France

Compiled by Our Staff From Dispatches

SAINT GERVAIS, France — Switzerland's Irene Hess won the women's giant slalom race Sunday in the final World Cup skiing event before the Winter Olympics at Sarajevo, Yugoslavia.

Hess, last year's World Cup women's champion, completed the two runs of 48 and 45 gates along the Saint Gervais course in 2 minutes, 24.05 seconds. It was her fourth victory of the season and gave Hess a 16-point lead in the 1984 World Cup standings with 214 points. She is also the overall leader in the World Cup giant slalom, having won two of the three races this season.

Second in Sunday's giant slalom was Cristin Cooper of the United States in 2:24.94. She was followed by Carole Merle of France in 2:25.13.

The two-day meet run on fast snow and under sunny skies was a sweep for Switzerland, with 17-year-old Michela Figini winning Saturday's downhill at Megève.

Her 14th-place finish in Sunday's giant slalom gave Figini the combined total for the meet. She now is tied for fourth in the overall World Cup standings.

In Saturday's race, Figini's winning time was 1:26.49. Austrian racers were second and third — Elisabeth Kirchner at 1:27.07 and Sylvia Eder at 1:27.16.

Maria Walliser of Switzerland

day with the fastest first-leg time. "I didn't take too many risks," she said. "I have a lot of confidence now."

The 21-year-old Swiss racer, who won a giant slalom on Dec. 11 at Val d'Isère, France, said she planned little hard training before the Olympics begin Feb. 7.

"I'm just going to go home and rest," she said. "I think I can be calm now that I know things are going well."

Cooper had a faster time than Hess in the second heat, but it wasn't fast enough.

"I lost too much time in the first heat," Cooper said. "And when a course is as fast as it is here, it's difficult to make up time."

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2. ELISABETH KIRCHNER, Austria, 1:27.07.

3. SYLVIA EDER, Austria, 1:27.16.

4. MARIE WOLLER, Switzerland, 1:27.46.

5. GERRY SERRAT, France, 1:27.58.

6. DOROTHY COOPER, U.S., 1:28.25.

7. GENEVIEVE LEGRAS, France, 1:28.31.

8. ANDREAS WENZEL, Switzerland, 2:24.46.

9. CHRISTIE COOPER, U.S., 2:25.13.

10. CAROLE MERLE, France, 2:25.14.

11. OLGA CHAVKOVA, Czechoslovakia, 1:27.84.

12. HOLLY BETTY FLANDERS, U.S., 1:27.88.

13. KAREN STEMMER, Canada, 1:27.92.

14. ELISABETH CHAUDE, France, 1:28.03.

LANGUAGE

The Biggest of the Big

By William Safire

WASHINGTON — Jack Nicholas Wilson, the actor, does not consider himself a mere star. Nor is he superstar world-class enough. He calls himself a *megasuperstar*.

John Naisbitt, the futurist, wrote a book two years ago about what he called in its introduction "10 major transformations taking place right now in our society." He called these *megatrends* and produced not only a *megaseller* but a marketing catchword: A salesman for Cabbage Patch dolls was quoted last Christmas as saying, "This craving for tactile sensations is a *mega-trend*."

As a prefix, *mega-* is very big these days. Stars get *Bigs Bucks*, but superstars and their *mega-superstars* get *megabucks*, a term coined in 1946 by U.S. scientists to describe the amounts of money needed to finance atomic research. Scientists were long familiar with the prefix, having used it in such medical terms as *megadose*, "having large

As the prefix, *mega-* has caused the diminishment of most of the other great prefixes. What's become of *arch-*? Remember Professor Moriarty, the *archimurder* who was Sherlock Holmes' *archenemy*? Remember when right-wingers and other political troglodytes were called *archconservatives*? All gone.

Falling along with the *arch-* is *hyper-*, but for a different reason: The prefix of *hypersensitive* and *hyperpertension* has now become the noun *hyper*, with an assist from the metaphor of the hypodermic needle.

Super-, now often pronounced as an arch, exaggerated *super-a*, has a 1940s feel. *Superman*, George Bernard Shaw's translation of the Nietzschean *Übermensch* and a name popularized by the comic-strip hero created by Jerry Siegel and Joe Shuster, is now a nostalgic item.

Who goes to a tiny, mom-and-pop *supermarket* anymore, when *discount food chains* sprawl across shopping malls? A spread with more than 100,000 square feet takes its name from the French *hypermarche*, as *hyper* makes its inroad into *super's* domain.

Congressmen may probe *superfunds*, Chinese diplomats may roundly denounce all *superpowers*, and those of us in Washington will

not soon forget the *Superbowl*, but the current meaning of the prefix *super-* is "big in the old days."

Ultra- never made it big. *Ultra-man* was a knockoff of Superman, and as an avid comic-strip reader, I was sure *Ultronman* could be easily drowned by *Subman*. *Ultra-* is a literary prefix, used occasionally in terms like *ultrafashionable* or *ultra-liberal*, and is now used to coin technical or fashion terms like *ultra-fuchs* or *ultrastrides*.

Now we get to the Four M's: *meta-, mega-, macro- and maxi-* (*Magni-* is insignificant). I turn to Sol Steinmetz, who has put the language of size under his microscope at Clarence Barnhart Books.

Mega- shares with *super-* the sense of surpassing, transcending," says Steinmetz, "as in *metaculture*, *metahistory* and, in recent years, *metacriticism*, *metasytem*. Frankly, I foresee no exciting future for this rather prim professorial prefix."

Mega- has had a popular run of about a generation and, I have a hunch, may be peaking. "Both the latest prefix of *bigness*," says Sol, "and perhaps the one that will ultimately attain the widest use, is *maxi-*, created in the 1960s from *maximum* to contrast with the successful *mini-*. *Maxi-* has steadily gained ground since its humble emergence as a prefix for a garment length in *maxicat*, *maxidress* etc. Recent examples of its use include *maxicassette*, *maxibudget*, *maxiseries*, *maxitaxi* and *maxisingle* (phonograph record)."

My money is on *macro-*, ever since I went shopping for a lens for close-up photography. *Macrocoss* goes back to the 1960s and has beaten out *megacoss* to mean "universal" or "the great world." We now have *macroeconomics* for those who like the Big Picture, and with the onset of *micro-* as a preferred prefix for little things, the contrasting *macro-* offers growth opportunity with minimum downside risk.

MUSIC lovers the world over have joined in an orchestrated chorus of denunciation about a false assertion in a piece about the pronunciation of *sirene* versus *steen*. Leonard Bernstein, the conductor, is a *sirene*, and I had better believe it.

New York Times Service

Balanchine's BallerinasBy Thomas Quinn Curtiss
International Herald Tribune

PARIS — Robert Tracy, a 23-year-old American dancer, is the author of "Balanchine's Ballerinas," which has been receiving glowing notices and is selling briskly. Tracy completed his interviews for the book while on a scholarship at Balanchine's School of American Ballet. He danced in Balanchine's re-creation of "Le Bourgeois Gentilhomme" with Patricia McBride and Rudolf Nureyev and later Broadway. He came to Europe to confer on the book's publication in England, France, West Germany and Italy, where editors have expressed interest. He spent last week in Paris to consult with Martha Graham on a proposed volume about her Greek dance cycle.

My Balanchine book is not an official biography. That would be an enormous project and one beyond me now. Richard Buckley, who wrote the lives of Nijinsky and Diaghilev is undertaking it," explained Tracy. "What I have tried is to show Balanchine through the eyes of the ballerinas he formed. He had a permanent influence on them and some of them influenced him, too, both personally and professionally."

"Ballet is Woman," Balanchine once declared, adding a typical mystic note to the description: "A woman who is an angel sent to me to be transformed into a figure of the dance."

Tamara Geva, one of his transformed angels, has a more realistic view: "Artistically every woman can get something out of him. They said, 'Make something of me' and he usually obliged."

Tracy reflects on the career of the dance magician from the recollections of his creations: Of Alexandra Danilova, who danced in

his evening of youthful ballet in post-war Petrograd, of the late Darya Doubrovskaya, who was a student of the Imperial school — as he was — and performed in the Diaghilev company when Balanchine was its choreographer; of Tamara Toumanova, the initial "baby ballerinas"; of Suzanne Farrell, the quintessence of the Balanchine dancer; and of Daniilova's pupil, Darci Kistler.

The "angels" — the reminiscences of 19 of them are included — see their transformer from various angles, but all are in agreement about his irresistible charm.

"I could never tell you how Balanchine creates; it would be like trying to hold running water," Mary Ellen Moyle remembers. "His creativity seemed to spring like a fountain — so easily. He was inscrutable about any meaning his ballets might have, but he was a prince to work for. He had a sense of humor, and there was a feeling of camaraderie at rehearsals. . . . When he choreographed he would show a step quickly, and then I would do what I thought he did. Maybe I didn't do it exactly the way he did, but it was approximate. That's where a dancer puts a little of herself into the creation. In Balanchine's work the individuality of a dancer always comes into play."

"He's the most dignified person I've ever worked with. He never screams, never argues, but always gets what he wants," tested Tamara Toumanova.

"There is a Balanchine technique, but no one knows it unless they have worked with him. You can't just look at the ballets and know, It's not just moving fast," says Maria Tallchief.

When he mounted "Don Quixote" he said the ballet was about "the hero's finding an ideal, something to live for and sacrifice for and serve. For the Don it was *Dulcinea I myself think everything a man does, that is for his ideal woman."*

Born in St. Petersburg, the son of a Georgian composer, Balanchine entered the Imperial Theater School as a ballet student and during the years of war, revolution and civil war trained as a dancer. In 1922 he organized a

Lincoln Center, New York
Alexandra Danilova dancing in "Le Bal" (1929).Martha Graham
Balanchine. Suzanne Farrell in "Don Quixote" (1965).

New York Times Service

LONDON POSTCARD**The Clean Up of Soho**By Leslie Dowd
Reuters

LONDON — The red lights of London's Soho district are dimming as a dogged campaign by police, residents and city fathers closes down pornographic bookshops, sex cinemas and topless bars.

Anti-vice campaigners in 1982 counted 165 sex establishments flourishing in Soho, the cosmopolitan district in the heart of the capital.

Now, in the face of police raids, the harsh application of new laws and a determined clean-up campaign by residents, the number of sex bookshops, bars and cinemas is below 100.

The result of the clean up, which reflects some disillusionment in Britain with the sexual permissiveness of the past, is plain to see in the area settled by French Huguenot Protestant refugees in the 17th century.

Two years ago Soho was ablaze with garish neon signs offering lurid books, magazines and films, a bewildering variety of sex aids, striptease clubs, sex cinemas and topless bars.

Today the old Soho is reassessing its style and character, and gaining favor again for its restaurants, tea shops and delicatessens rather than the offerings of "the vice," as Soho residents call the people who work in the sex trade.

Most of the signs have been swept away, and some once-profitable sex establishments stand empty. Remaining sex shops have blacked out their shopfronts.

"Soho has survived the sex invasion and we are now over the hump," says Bryan Burroughs, a clean-up campaigner. "But it was a damn close-run thing. In the mid-1970s things got so bad that it was clear it was either them or us."

Burroughs is vice-chairman of the Soho Society, a residents' pressure group that has grown to 1,200 members since it was established in 1972.

"We even had prostitutes joining," Burroughs said. "Some of them didn't like what was happening to the area. Paradoxically, real sex was being driven out of Soho, which had been very romantic place. There's not much erotic about sex shops."

New laws last year enabled the

local authorities to act against vice in Soho. One law required sex shops to be licensed. Last January first owner to be prosecuted for operating without a license was fined £12,000 (about \$16,000).

Law governing cinemas were tightened so effectively that sex cinemas have all but disappeared. City inspectors shut several down for lack of fire permits. Strip joints and sex bars are being shut for not having entertainment and food licenses.

"We hope that in a few years there will just be six discreet sex shops in Soho, three or four licensed cinemas and three or four well-conducted bars or clubs," said Burroughs. "The clubs will offer a proper evening out for those who want it, with no rip-offs and beer at reasonable prices."

But "the vice" is finding ways of fighting back. Some premises have been converted into topless bars selling fruit juice, others into "nude encounter bars" where a customer can watch a woman cavort on the other side of a plastic screen. No license is needed if a physical barrier separates customer and entertainer.

The clean-up campaign intensified after Princess Margaret, Queen Elizabeth's sister, stopped frequenting a Soho clothes shop after a sex shop displaying a plastic sign in the shape of a penis opened next door.

Within months police seized printed material valued at 25 million in raids on printers, binders and outlets.

Burroughs, who works for the British Foreign Office, loves Soho. "It's a marvelous place to live," he said. "There's no vandalism because it's still a real community where you can still get a close friend or chair recovered locally."

It still has violin makers, sheet music and seven places of worship, including a synagogue and a mosque. Karl Marx lived in Soho until his death in 1883.

Now, the old traditions are reasserting themselves. As a sign of the times, one cafe that closed in 1980 and has since been a sex club, cinema and topless bar has now reopened — as a cafe.

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